NOVEMBER 23, 1981
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TIME
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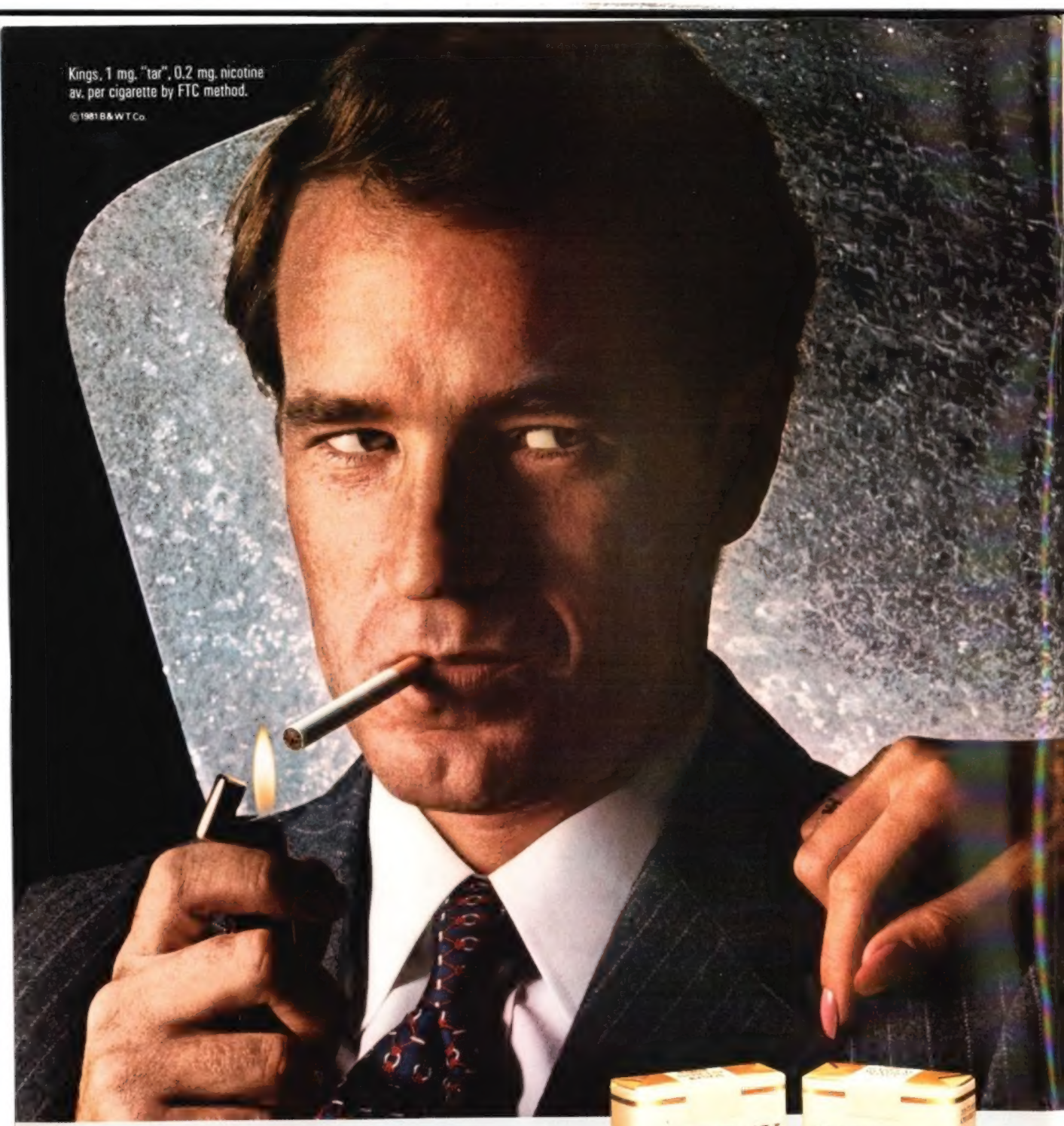
Confession and Recession
PARADISE LOST?
SOUTH FLORIDA



The pleasure is back.

BARCLAY

Warning: The Surgeon General Has Determined That Cigarette Smoking Is Dangerous to Your Health.

NOVEMBER 23, 1981 Vol. 118 No. 21

TIME

THE WEEKLY NEWSMAGAZINE

A Letter from the Publisher

Miami was selected last year as the home base for TIME's new Caribbean bureau, the only foreign bureau located within the U.S. The decision reflected the city's polyglot ambience and its emergence as a commercial and cultural center for Latin Americans. The members of the Miami staff hardly expected, however, that their home town would become their biggest continuing story this year, and a cover subject. In six weeks of intensive reporting, TIME's correspondents conducted more than 250 interviews, from the streets of the "little Havana" district to the refugee camps. They talked to Coast Guard officers, drug dealers, police, government officials, members of Miami's native-born Establishment and scores of troubled new arrivals. Often they gained astonishingly close access to fast-breaking events. Bernard Diederich, who speaks Haitian Creole, was informed by telephone within minutes of a tense beating incident at the Krome Avenue detention center. Photographer Harry Mattison arrived in Liberty City just after police had shot a gun-wielding Cuban. Caribbean Bureau Chief William McWhirter accompanied an undercover narcotics squad for a raid on the leaders of a $25 million drug ring. Washington Correspondent Jonathan Beaty, who joined the Miami staff to report on the billions in narcotics money washing over South Florida, talked with young men just back from high-speed runs in souped-up boats loaded with marijuana and cocaine. "The journalist's first reaction to this kind of story," says McWhirter, "is always to question whether things are really as bad as they sound. The answer in Miami's case is unequivocally yes. An eruption of money and menace is permanently changing the area and its character."

RAY FISHER

McWhirter, Diederich and Miami skyline

The bureau's reports went to Staff Writer Jim Kelly, who wrote the cover story, and Reporter-Researchers Audrey Ball and Richard Bruns. Says Kelly, who has been writing about South Florida's growing problems with refugees, drugs and crime for 18 months: "For some time now, Miami has not been the peaceful, sun-soaked vacation and retirement haven we thought it was." He finds the area's attractions undiminished, however. Sounding like a lot of shivering Northerners as winter sets in, he says: "Miami is unique in this country—a cityscape among the palm trees. It is still beautiful, still alluring."

John a. Meyer

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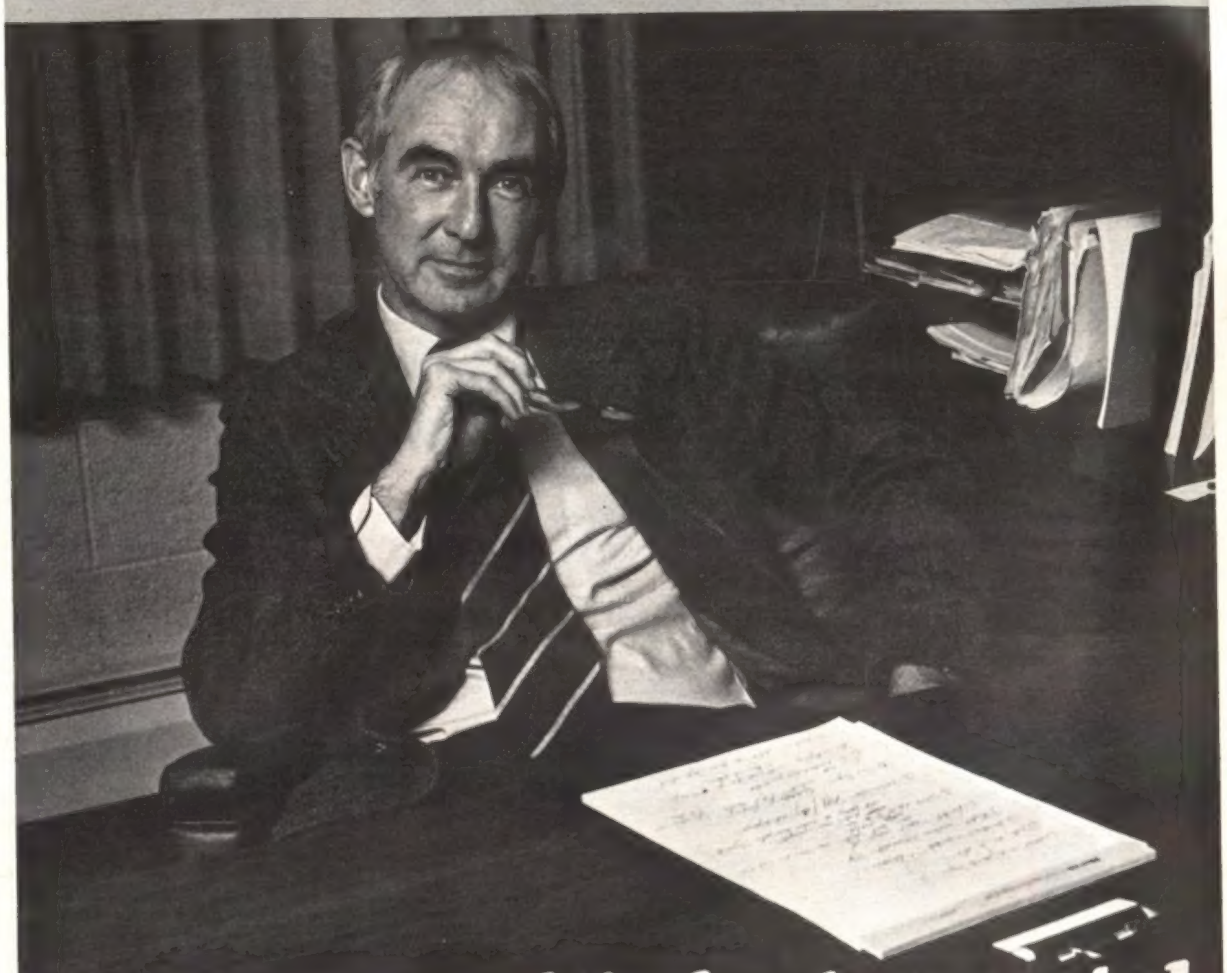

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Letters

Shaping Up

To the Editors:

In our frenzy for fitness [Nov. 2], we follow two American beliefs: Anything worth doing is worth overdoing; and, if it hurts, it must be good for you.

Glenn R. Stoutt Jr. M.D.
Louisville

It may be true that we tend to get on the bandwagon when a fad, like fitness, becomes popular. Nonetheless, we are a people who can laugh at ourselves. Long may our arms wave—and our feet pound the country roads and the park paths.

Alice Christensen
Clinton, Conn.

As a 50-mile-a-week runner, I was delighted with your cover selection. After reading the story, however, I was a bit disillusioned. Thirty billion dollars for fitness? One of the joys of a conditioning program is that it is fun and cheap.

Bill Howard
Knoxville, Tenn.

The fashionability of fitness may eventually do as much to prevent unhealthy behavior as vaccines do to prevent infectious disease. It would be wrong to conclude that only the rich can look, feel and be healthy. The challenge to preventive medicine and to health marketers is to verify what really works and to captivate everybody with affordable alternatives.

H. Bruce Dull, President
Prevention Inc.
Atlanta

You overlooked one important ingredient in the "How Long Will You Live?" quiz, namely: If you have one teen-ager, subtract 2. If you have two, subtract 4. If you have three or more, subtract 10.

Derrick A. Anderson
Santa Ana, Calif

Recent studies show that people who have pets have a better chance for health and longevity than people who don't. Having three dogs, a cat and twelve birds, I added three points to my score of 98 and reached 101, the time I need to accomplish all the things in life I wish to do.

Evajean Cusack
Plymouth Meeting, Pa.

Four of us communal-living, celibate, nonsmoking, diet-conscious Franciscan friars took TIME's life-expectancy quiz conjointly. It was a puzzlement. Friar No. 1, reasoning he lived with neither spouse nor friend, subtracted 1 point. Friar No. 2, claiming Friar No. 1 as his friend, added 5. Friar No. 3, a happy sort (add 1), was unhappy (subtract 2) that Friar No. 1 was friendless. Friar No. 4, to his consternation, had passed on last year.

(The Rev.) Edgar Holden, O.F.M. Conv.
New York City

War of Words

How much longer do the leaders of the two most powerful nations expect the rest of us to take seriously their solemn pronouncements about the non-use of nuclear weapons [Nov. 2]? While each nation claims that using nuclear weapons would be "insane" and that there would be no winners in a nuclear war, they are pumping billions into bigger, more accurate weapons.

Frank T. Francisconi Jr.
New London, Conn.

When will the Soviet leaders address the issue of nuclear war winnability and survivability? Party Central Committee Member Leonid Zamyatin equivocates: nowhere does he deny that Soviet military writers promote and affirm in their books and articles the idea of the Soviets' winning and surviving a nuclear war.

Albert L. Weeks, Political Science Editor
Military Science and Technology
New York City

I hope our Administration never develops its foreign policy in response to the Soviets' appeasing rhetoric. In view of their anti-American propaganda, such a move would only be a victory for the Soviet Union. It would be a mistake to interrupt the progress we have already made in regaining our strength.

Jon Wiersum
Grand Rapids

What If?

I enjoyed Sir Geoffrey Gabb's (Gerald Clarke's) lecture on the British victory at Yorktown [Nov. 2]. In providing the map for his "if-game," however, Sir Geoffrey failed to guard against a flagrant anachronism. Would Tsar Nicholas VII of the Romanov dynasty rule a land labeled the "U.S.S.R."? Also, why does Professor Gabb neglect Canada's place in North American and global affairs?

Perhaps the good man has not heard about the latest development. Quebec has finally seceded from Canada and has formed a federal union with Louisiana, thanks in large measure to British America's willingness to guarantee communications between Quebec and St. Louis, to which the western capital of Loubec will be moved next month.

C. Earl Edmondson, Associate Professor
of History, Davidson College
Davidson, N.C.

I always assumed that if you Americans had not left the fold, Canada and the U.S. would now be one huge country. The pressures of the westward flow of population, the difficulties for war-weary European powers trying to hold possessions in the New World, the Alamo and San Jacinto would all have unfolded as they did, whatever the outcome at Yorktown.

Perhaps it's not too late. You did leave in a foul mood, but compromise is basic to Canadian politics. Why don't you apply for readmission? Come home, Sam.

Neil Currie, Consul and Trade
Commissioner, Canadian Consulate
Dallas

Bash for Peace

Why must the re-enactment of the Battle of Yorktown be considered the last Bicentennial celebration [Nov. 2]? The Bicentennial is a commemoration of America's independence, not an observance only of the violent aspects of revolution. The true last bash should mark the triumph of peace and British recognition of our independence brought about by the ratification of the 1783 Treaty of Paris.

Robert L. Worden
Annapolis, Md.

PATCO's Punishment

Condemning PATCO air controllers [Nov. 2] to lifelong banishment from their chosen profession for an admittedly reprehensible act of defiance is out of proportion. In the interest of air safety, the American economy and common fairness, the air traffic controllers should be rehired on an individual basis, as needed. Loss of seniority and several months' pay is adequate punishment.

Veronique Sabl
Los Angeles

Mistaken Identity

In the caption for the photograph of the leaders who attended the Cancún summit [Nov. 2], you name Acting President Abdus Sattar as the representative of Bangladesh. It was Prime Minister Shah Azizur Rahman who led our delegation, and who appears in the picture.

Zahid Hossain, Counselor
Embassy of Bangladesh
Washington, D.C.

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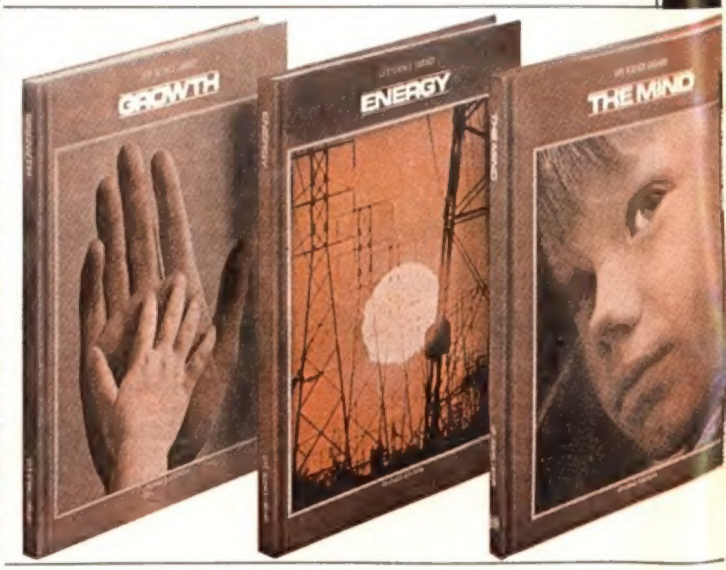

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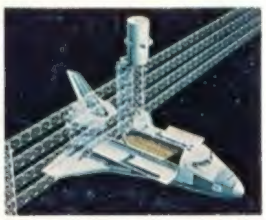
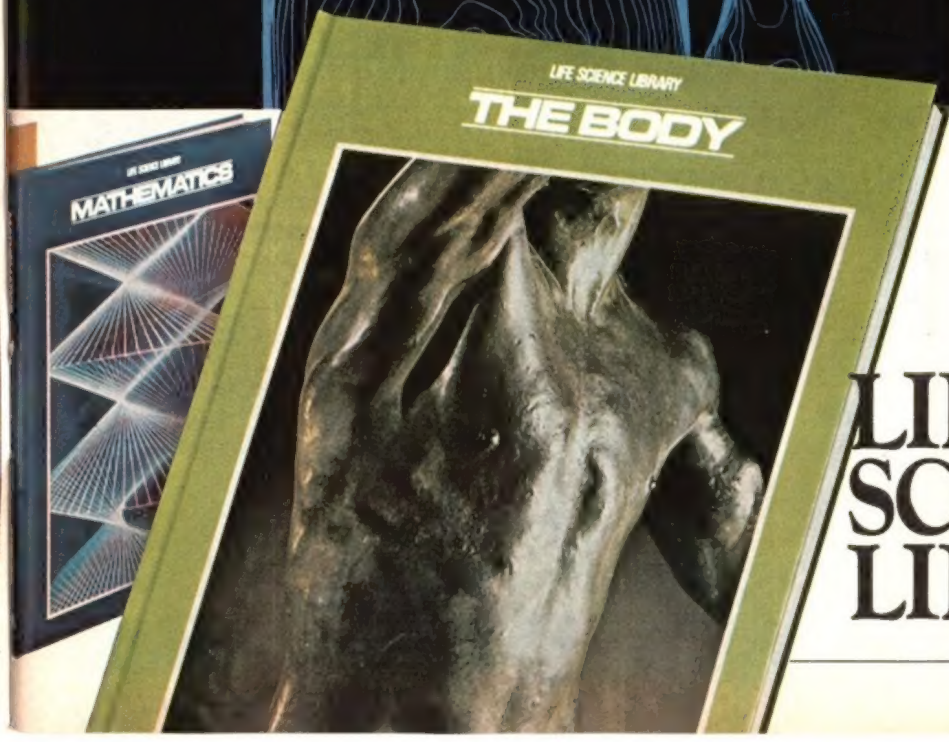


What next for the space shuttle? You'll read about man's plans for the conquest of space...and see the benefits satellites already give us.



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Nation

TIME/NOVEMBER 23, 1981

A Visit to the Woodshed

Loose talk about Reaganomics brings a verbal thrashing from the President

He had been the Reagan Administration's glowing star, casting light on all the murky, mystifying tax and spending statistics that his wondrous computers at the Office of Management and Budget continually cranked out. He was the farm-bred, Harvard-educated wizard who would transform those numbers into the magic by which Ronald Reagan's economic recovery program would prove a smashing success. Even David Stockman's adversaries admired his effectiveness as a promoter of the Reagan cause. At his regular breakfast last week with Treasury Secretary Donald Regan and Chief Economic Adviser Murray Weidenbaum, Stockman was delighted by a birthday cake presented by Regan, his principal rival within the bureaucracy. It was decorated with 35 tiny hatchets, symbolizing Stockman's tender years and his budget-slashing accomplishments. He laughed loudly at another Regan gift: a T shirt bearing the words I AM A TEAM PLAYER on the front and TREASURY DEPARTMENT SUPPLY-SIDERS on the back.

That moment of warmth was a refreshing change for an Administration whose key players have been squabbling all too publicly. Indeed, that same afternoon President Reagan drew derisive laughter from the White House press corps when he insisted that the celebrated feud between Secretary of State Alexander Haig and National Security Adviser Richard Allen had been "exaggerated out of all reality" and that, to the contrary, "we're a very happy group." Yet, at the end of that same press conference, Reagan learned for the first time that his whiz-kid budget director had brought yet another flap upon the Administration: in an article in the December issue of the *Atlantic Monthly*, Stockman was quoted as saying some most indiscreet things about the Administration's entire approach to budget balancing and tax cutting. Suddenly, the architect of Reaganomics was in danger of being fired. And for the second time in two weeks, Reagan had to summon a top aide to the White House for a stern presidential scolding.

An ashen-faced Stockman called a press conference and announced that he had offered the President his resignation but that Reagan had refused it. With uncharacteristic humility, the budget director apologized publicly for "my poor judgment," "loose talk," "careless rambling" and use of a "rotten, horrible, unfortunate metaphor." Reagan, he said, had given him a verbal thrashing. "My visit to the Oval Office for lunch with the President was more in the nature of a visit in the woodshed after supper," Stockman said. "He was not happy about the way this has developed—and properly so."

By week's end Stockman had survived the initial uproar. But the Administration's star had clearly fallen into a black hole, possibly taking Reagan's fading chances to win future economic fights in Congress with him. It was doubly unfortunate that Stockman's self-inflicted wounds came at a time when the nation's economic recession was deepening and the Administration's tax and spending policies were meeting rising resistance on Capitol Hill *(see following story)*.

How could such a shrewd operator shoot from the lip and hurt himself so badly? That remains a mystery. Even before Stockman took office at OMB, he had agreed to meet periodically with William

Greider, 45, a respected assistant managing editor of the Washington *Post*. Greider wanted to write an in-depth magazine story about the entire budget-making process. Under the ground rules they agreed to, according to Greider, "the particulars of the conversations were not to be reported until later, after the season's battles were over." Stockman unaccountably contends that he thought his comments would remain "off the record." Greider persuasively insists that he told Stockman that he wanted to write the piece as soon as the Administration had won its big tax-cut battle in early August, and Stockman raised no objection. Stockman even posed in October for photos to accompany the article. Last week Stockman argued that he and Greider had developed an "honest but rather large misunderstanding" that had lasted through some 18 interviews over eight months (*see* PRESS)

The 24-page article, called "The Education of David Stockman," is actually a thoughtful, unsensational account of the budget director's young but busy career at OMB. The narrative starts so sleepily, on the Stockman family farm in western Michigan, that official Washington was slow to notice the bombshells amid the biography. A member of a politically active, conservative, Methodist family, Stockman studied history at Michigan State and theology at Harvard before joining maverick Republican John B. Anderson's congressional staff in 1970. Elected to the House on his own in 1976, Stockman turned his bookish brilliance to mastering the complexities of the federal bureaucracy and the intricacies of how each entrenched interest fights for its funds. Thus he was a good choice to become the new President's budget director, and he quickly dazzled many veteran committee chairmen with his grasp of budgetary detail.

Still, the Greider article depicts Stockman, who took on his OMB job with high hopes that "we can change the habits of the political system," as disappointed in the end that "institutional inertia" was so difficult to overcome. Even as early as last January, Greider reports, Stockman ran Reagan's promised three-year tax cuts and big increases in military spending through an OMB computer and found the results "absolutely shocking." The machine projected a budget deficit of $82 billion in 1982 and $116 billion in 1984. So Stockman simply reprogrammed the computer with new assumptions of how supply-side economic policies would drive down both prices and interest rates and push up productivity. That enabled him to project a 1984 surplus if the Reagan plans were carried out

Feeding rosy data into calculations to get a desired result is hardly an innovation at OMB. But Greider depicts Stockman as having great personal doubts that the supply-side figures were credible, even though the entire Administration, including Stockman, was then praising that theory in public. Greider was told by Stockman, who has not challenged the article's quotes: "I've never believed that just cutting taxes alone will cause output and employment to expand."

In one of the article's most damaging passages, Stockman agreed that supply-side theory was, in Greider's words, "only new language and argument to conceal a hoary old Republican doctrine: give the tax cuts to the top brackets, the wealthiest individuals and largest enterprises, and let the good effects 'trickle down' through the economy to reach everyone else." Said Stockman: "It's kind of hard to sell 'trickle down,' so the supply-side formula was the only way to get a tax policy that was really 'trickle down' . . . Kemp-Roth [the supply-side tax bill] was always a Trojan horse to bring down the top rate." Stockman was saying this privately at the same time that the Administration was denying Democratic charges that the Reagan tax cuts favored the rich.

Even when Stockman helped win the Administration's big battle over the drastic budget cuts in July, Greider found him subdued Writes Greider: "Why? Because he knew that much more traumatic budget decisions still confronted them. Because he knew that the budget resolution numbers were an exaggeration." He quotes Stockman: "There was less there than met the eye . . . the numbers are just out of this world." Yet Stockman had used those same numbers as he waged his successful drive to persuade members of Congress to approve the cuts. And, while impressing everyone with his knowledge of all the statistics, Stockman was conceding privately to Greider: "None of us really understands what's going on with all these numbers."

At the same time that Reagan was berating Wall Street for doubting the effectiveness of his economic policies, Stockman was staring at his own statistics and concluding that the stock market analysts were right. Stockman's best computer figures no longer added up to a balanced budget by 1984. Big deficits loomed

It is quite true, as Stockman argued in his own defense last week, that he soon began to admit this publicly. As early as May, Stockman was demanding sharp future slashes in such a politically sensitive program as Social Security, and in August he even urged big reductions in military spending. He was deeply disappointed, in fact, when the President refused to support any such large cuts.

In part, Stockman could be credited with honesty and candor in his talks with Greider. His indiscretions may have been more political than substantive. His private language was, as is that of most politicians and Government officials, far more colorful than his public pronouncements. Still, while apparently enjoying an ego trip with a reporter, Stockman had left the unmistakable impression that throughout his fatiguing drive to enact the Reagan program, he knew he was playing with funny figures, advocating theories in which he did not wholeheartedly believe and rebutting criticisms that he considered valid.

Actually, the storm over the budget director's loose talk developed slowly. Stockman had called a presidential assistant on Tuesday afternoon to say that he had a copy of an article about himself and would send it over. He added with cool understatement: "I think you'd better see this." Busy White House aides did not find time to read the lengthy document until late that evening. When they did, they were stunned. Said one: "My first reaction was that the Democrats were going to use this politically and that it would hurt us politically. It was a credibility problem."

The next day, however, the New York *Times* buried a brief Associated Press story about the fuss on page D7 and even the Washington *Post*, despite its own closeness to the story, ran it on an inside page. By Wednesday afternoon the most important reader of all had examined the article—and he was furious. "The President was as upset and angry as I've ever seen him," reported a top aide. "What was Stockman thinking of to have that kind of arrangement with a reporter?" Reagan asked. "How could he do such a thing?"

By Thursday, newspapers and newscasts were expanding the story. Democrats were jumping all over Stockman, and some Republicans on Capitol Hill were dismayed too. Reagan met Thursday morning with his senior advisers, speculating about the damage the article might do to his already endangered economic program. The possibility of asking Stockman to resign came up, but it was not resolved before other meetings intervened.

One was a Reagan appointment to discuss pending appropriations bills with congressional Republican leaders. Stockman knew he had to bring up the painful subject. Reagan gave him the opening. "I think Dave Stockman wants to say something," he said coldly. Stockman repeated his claim that he was the victim of a misunderstanding, adding, "I regret that I ever had the interviews." He closed by saying, "I want to continue to carry out the President's policies." Obviously contrite, he drew sympathetic applause from the leaders. A silent Reagan joined in.

After the meeting, Reagan convened his top aides, as well as Vice President George Bush, to seek their advice on what to do about his talkative budget director. "If you keep him, nobody is going to believe us any more," suggested one adviser. Still, Stockman had made himself virtually indispensable to the Administration. "Hell," thought one participant, as others considered firing Stockman, "he's our entire domestic policy staff. What are we going to do without him?" Said Reagan: "I want to sit down and talk to Dave." Then he canceled a lunch with Bush and commanded Stockman to come to the White House for lunch instead.

When Stockman arrived at the White House, he was still complaining to Reagan aides that he had been misled by Greider. One of them took Stockman aside just before he entered the Oval Office and warned, "Don't go in and blame it on the

What Stockman Said

The remarks that forced Office of Management and Budget Director David Stockman to offer his resignation to President Reagan appeared in a 24-page article in the December issue of the Atlantic Monthly. *Among Stockman's striking comments:*

On Reaganomics: "The reason we did it wrong—not wrong, but less than the optimum—was that we said, Hey, we have to get a program out fast . . . We were working in a 20- or 25-day time frame, and we didn't think it all the way through. We didn't add up all the numbers." In another part of the article. "The pieces were moving on independent tracks—the tax program, where we were going on spending, and the defense program, which was just a bunch of numbers written on a piece of paper . . . But, you see, for about a month and a half we got away with that because of the novelty of all these budget reductions."

On tax cuts: "The hard part of the supply-side tax cut is dropping the top rate from 70 to 50%—the rest of it is a secondary matter. The original argument was that the top bracket was too high, and that's having the most devastating effect on the economy. [However] to make this palatable as a political matter, you had to bring down all the brackets. But, I mean, Kemp-Roth was always a Trojan horse to bring down the top rate . . . It's kind of hard to sell 'trickle-down,' so the supply-side formula was the only way to get a tax policy that was really 'trickle-down.' Supply-side is 'trickle-down' theory."

On the Administration's budget estimates and economic forecasts: "None of us really understands what's going on with all these numbers. You've got so many different budgets out and so many different baselines and such complexity . . . people are getting from A to B and it's not clear how they're getting there. It's not clear how we got there. [One deficit estimate was reached] "by hook or by crook, mostly the latter."

On defense spending: "The whole question is blatant inefficiency, poor deployment of manpower, contracting idiocy . . . Hell, I think there's a kind of swamp of $10 to $20 to $30 billion worth of waste that can be ferreted out if you really push hard. [But the Pentagon] got a blank check . . .they got so goddamned greedy that they got themselves strung way out there on a limb."

On Congressional reception of tax cuts: "Do you realize the greed that came to the forefront? The hogs were really feeding. The greed level, the level of opportunism, just got out of control. [The Administration's] basic strategy was to match or exceed the Democrats, and we did."

On what was achieved by the Administration's spending reductions: "There was less there than met the eye . . . Let's say that you and I walked outside and I waved a wand and said, I've just lowered the temperature from 110 to 78. Would you believe me? What this was was a cut from an artificial CBO [Congressional Budget Office] base. That's why it looked so big. But it wasn't."

On his recommendations for cuts in Social Security benefits: "Basically I screwed up quite a bit."

goddam article. You and everybody else know that you made a serious mistake." One of the first things Stockman did during the 45-minute lunch with Reagan was offer his resignation. To Stockman's surprise, the President said, "I'll have to give you an answer on that later. There are some things I want to know." Only after grilling Stockman, seeking an explanation of why the younger man had talked so freely to a reporter and just how committed he really was to the Administration's policies, did Reagan reject the resignation.

Stockman emerged in a state of shock. "I feel like I've been run over by a freight train," he said. "I think the President laid the wood to him pretty damned good," observed a presidential adviser. Reagan had a further idea: "I think the press and public should see and hear David's explanation, just as I did."

Thoroughly chastened, Stockman returned to his office and composed himself over a familiar yellow legal pad. "He just dove into it like he does every other project," explained one Stockman aide. "He knew the kind of statement that the President wanted him to make and he wrote it out directly." For an hour, Stockman rehearsed the toughest questions his aides could throw at him about the whole affair. Then he went off to face an overcrowded room full of reporters in the refurbished White House press quarters. He looked pale and frightened at first, his attempt at a wan smile quickly fading. Twice he paused in his prepared apology, gulping to regain control of his emotions.

Stockman made a point of defending the President: "Never, ever, has he attempted to mislead the Congress or the American people, or say things which weren't true." Declared Stockman: "I would not be here now, nor would I have worked 16 hours per day for nearly a year, if I did not believe in the President and in his policies."

Although he handled himself well under questioning, Stockman remains, in effect, on probation. While 32 of the 53 Republican Senators signed a letter to Reagan supporting Stockman and pleading, "We need him as part of the team," Senator Paul Laxalt, the President's confidant, significantly did not. Moreover, a huge question had been raised as to whether Stockman can continue to be effective. Certainly, he has become an irresistible target for Democrats on Capitol Hill. Observed Leon Panetta, a key Democrat on the House Budget Committee: "He was knowledgeable. But now the first question will be: 'Is this just what you're saying, or do you really believe it?' " Insisted New York Senator Daniel Patrick Moynihan: "It was not just an error of good intentions, it was an error of deception." Contended Democratic House Floor Leader James Wright: "Apparently he had the President mesmerized to pursue a course that he, Stockman, knew was not right."

A downcast Budget Director entering press room to apologize

"A rotten, horrible, unfortunate metaphor."

Republican Senator William Roth, co-author of what he prefers to call the Roth-Kemp tax act, joked that he had invited Stockman to a Thanksgiving dinner at which the menu would include "Trojan horse *pâté*, Château Hemlock '81, trickle-down consommé and foot-in-mouth filet." After dinner, said Roth, Stockman would be "offered a blindfold and a cigarette." Actually, Roth was furious at Stockman's remarks about supply-side economics, saying, "I'm outraged."

Such Republican criticism of Stockman will, of course, hurt him more than Democratic sniping. "He has substantially impaired his usefulness," contended Republican Senator Robert Stafford of Vermont. "To have him as his chief spokesman sure isn't going to help the President." Agreed Maryland's Republican Senator Charles Mathias: "I think this is terribly damaging to the President. Stockman was such a central figure."

Within the Administration, some advisers insisted that Stockman had never expressed many of the reservations about the Reagan economic policies that he had conveyed so freely to Greider. Said one presidential aide: "It came as a complete and utter surprise. This is just not Reagan team play." Asked a Treasury official: "How can you trust a guy like that again? Everywhere we go, we're going to have to live with what he did." Argued one Administration economist: "He's destroyed the President's credibility and his program, whether he goes or stays."

That would seem to overstate the case. But enough damage has been done, insist some White House insiders, that the whiz kid will have to wave some new magic wands and make the furor fade away if he is to keep his job. Warned one official: "He's got about a week or maybe two before another decision will have to be made." Predicted another top aide: "He's going to bleed to death." Already there was talk in the White House about finding a replacement for Stockman. That, however, will not be easy. Shaky as those elusive budgetary numbers may be, not many people have so firm a grasp on them as has David Alan Stockman. ***—By Ed Magnuson. Reported by David Beckwith and Douglas Brew/ Washington***

A Thousand Thanks

The cash was intended for Nancy Reagan. She had consented to be interviewed by a Japanese monthly on the day after she moved into the White House; according to a spokeswoman for the magazine quoted in weekend press reports, an unnamed intermediary had asked for a token of "gratitude." The editors gave a $1,000 honorarium to National Security Adviser Richard Allen. Allen, who passed along the request for the interview but denies that he "arranged" it, says he thought that refusing the cash could cause offense. So he accepted it on Mrs. Reagan's behalf and put it in his office safe. "The intention, of course, was always to notify authorities," he says.

Unfortunately, Allen says, he forgot all about the money. In September the safe was cleaned out, and someone told the FBI of the cash. The Justice Department is investigating the matter; because Allen is a high federal official, the Attorney General may have to appoint a special prosecutor if doubts about his conduct persist. Allen stepped down from Reagan's staff for a week last fall amid reports that he had misused his connections in the Nixon White House. Will the President stick by him this time? "I can't comment on that while it is under review," Reagan said Saturday.

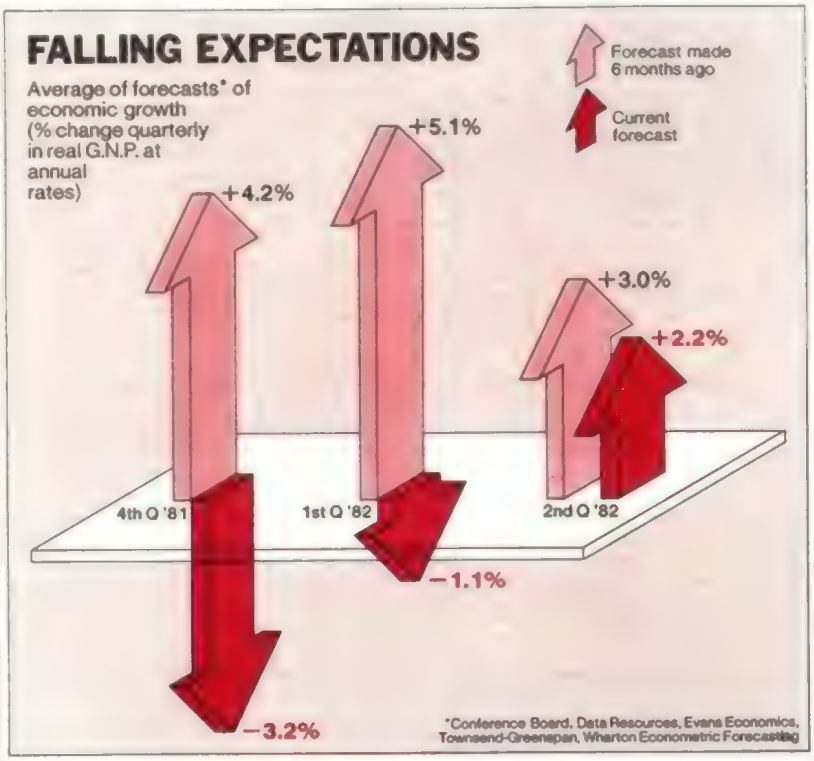
Ready for a Real Downer

As Reagan and Congress ponder their moves, the gloom grows

The uproar over Budget Boss David Stockman's indiscreet remarks could scarcely have come at a worse moment for the Reagan Administration. Time has just about run out for Congress and the White House to make tough economic choices. The legislators have until the end of this week, Nov. 20, to appropriate money to keep the Government running, and the President will have to decide whether to veto bills that pierce his budget ceilings. Worse, the decisions will be made in an atmosphere of confusion, worry and even gloom created by the deepening recession that had called the Administration's policy into question even before Stockman sowed further doubts.

The slide does seem to be bringing down inflation and interest rates. But whether the gains will be permanent or only temporary is subject to sharp dispute. In any case, they are coming at a price much higher than the Administration had expected the nation to pay. "None of us has predicted" an outright slump, Reagan confessed at his press conference last week. Now, however, Secretary of the Treasury Donald Regan says the current quarter "may be a real downer." Moreover, while some Administration forecasters had earlier predicted a recovery beginning shortly after New Year's Day, Reagan now foresees a pickup "in spring or [at] the latest early summer of 1982."

That is only realistic: rarely have economists revised their predictions downward so far and so rapidly as in the past few months (*see chart*). The news in recent weeks has been a succession of shocks, most notably a stunning one-month jump in the unemployment rate, from 7.5% to 8% in October. The Administration and many private forecasters are expecting a further increase to 8.5% or 9%. The latter figure would equal the rate at the end of the 1973-75 recession; that was the worst jobless rate since 1941.



The current slump began in housing and autos, two sectors of the economy peculiarly sensitive to high interest rates. Those two industries are still in the doldrums. In Detroit, Depression-style soup kitchens have reappeared in recent weeks.

The slump, however, is spreading far beyond autos and housing. Retailers suffered a sharp 1.5% drop in sales last month; many are anticipating lackluster business in their all-important Christmas season. The electronics firms of northern California's "Silicon Valley," which make microchip components for computers, have for years been riding a heady boom, but now their profits are plummeting. Employment and spending by state and local governments kept a sturdy prop under the national economy during many previous recessions, but now they too are falling, in part because Reagan's budget cuts have reduced the flow of federal cash.

The prevailing view on how deep the recession may go is voiced by Allen Sinai, senior economist of Data Resources, Inc., a Lexington, Mass., forecasting firm. He predicts a drop of 2% to 3% in total national output, which would mean only a middling slump, "worse than some of the postwar recessions, but not as bad as others." Sinai, however, has some doubt about his forecast. The current downturn, he notes, began less than a year after the short but sharp recession of mid-1980. "A lot of corporations and financial institutions are in weak condition" because they never fully recovered from the first slump, says he, and "there is a good deal of danger that the mortality rate for some of these industries and firms could be higher than anything we have seen in the postwar period."

Only the harshest political partisans are pinning principal responsibility for these pains and risks on Reagan. Most economists view the recession as primarily the result of the tight-money policy adopted by Paul Volcker, chairman of the Federal Reserve Board, before Reagan took office—though they note Reagan has supported that policy. Some also see the slump as a delayed effect of the vacillating economic strategy of Reagan's predecessor. "I call it a Reagan-Volcker-Carter recession," says Economist Walter Heller, chairman of the Council of Economic Advisers in the 1960s.

Businessmen sound almost perversely cheerful, even while reporting falling orders, production and profits. The reason: they can at last foresee a significant drop in inflation. The Consumer Price Index in September was still rising at a double-digit pace. But producer (wholesale) prices for "intermediate" goods such as textiles and steel showed no rise at all in October, the first time that had happened in six years. Prices for raw materials such as cotton and coal actually dropped a bit for the third straight month. Interest rates were sliding too: major banks last week cut the prime rate (on loans to their best business customers) by half a point, to 16½%. That is five points below the peak last winter.

Businessmen hasten to point out that rates still have not come down anywhere near enough to promise a quick end to the recession. Generally, corporate chiefs view a continued slump as the bitter but unavoidable cost of defeating inflation.

But will any reduction of inflation be permanent? Broadly speaking, there are two views of what will happen when the recession ends. The President's belief is that the second stage of the Reagan tax cuts, taking effect next July 1, will spur savings, investment and productivity. That will both lift the economy and keep inflationary pressures down. The Federal Reserve will be able to relax a bit on the

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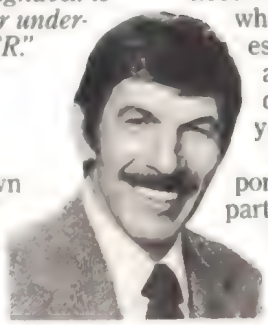

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The opposing view is that federal deficits will swell alarmingly for two reasons: recession, which increases Government outlays for programs like welfare and reduces tax collections; and the deep tax cuts legislated last summer. Once the recession is no longer exerting pressure against price boosts, the deficits can cause them to speed up again. Reason: the Government pumps more money into consumers' pocketbooks than it takes out. The Federal Reserve Board will consequently continue its tight-money policy. That, and Government borrowing to cover the deficits, will kick interest rates back up again too.

The conflict between these views has split official Washington into two camps. The Republican leaders of the Senate and some Administration officials, notably Stockman, urge a drive to trim deficits by further spending cuts and some big tax increases—not, to be sure, in the just decreased income tax rates, but in excise (sales) taxes and some levies on business. House Republicans want no part of tax increases and are uncertain how far to push on additional budget cuts. Democrats and some moderate Republicans are even more reluctant to slash spending further.

Reagan at his press conference confirmed his decision: he will put off all consideration of tax boosts until January. Meanwhile, he will press for a further cut of 12%, or $13 billion, in fiscal 1982 spending on top of the $35 billion reduction already passed. Said the President: "This Government must stiffen its spine and not throw in the towel on our fight to get federal spending under control."

That sets the stage for a showdown with Congress this week. The Government has been operating under a "continuing resolution" authorizing spending using ceilings set by Congress last summer. The resolution expires on Friday, when it is supposed to be superseded by regular appropriations bills. But Reagan noted that most of the twelve appropriations bills pending in Congress specify spending considerably higher than he wants. The President said, "I stand ready to veto any bill" that costs too much.

In any case, there will be no time even to get all twelve appropriations bills to Reagan's desk by Friday. So this week's battle will center on a second continuing resolution. But the measure taking shape in Congress may not be acceptable to Reagan either: it would also authorize more spending than he wants.

Vetoing the continuing resolution would bring the Government to a virtual standstill. If Reagan does veto the resolution, it seems inconceivable that more than a few days would elapse before Congress passed some kind of money bill that the President would sign, however reluctantly. Whatever happens, the great tax-and-spending battle will be renewed in January. *—By George J. Church. Reported by David Beckwith and Neil MacNeil/Washington*

The Presidency/Hugh Sidey

Before It's Too Late

It is always unwise for a President to get hypnotized by the world's complaints about the way he conducts business. Nudging a great nation into a new course pinches a lot of people. Likewise, the Chief Executive who reads the domestic polls every night for political guidance is apt to be paralyzed each morning. The leader who views every White House catfight as apocalyptic will be a nervous wreck in his first year. Ronald Reagan is not guilty on any count.

But a President who ignores those distant rumbles and internal mutterings and fails to take corrective action can find himself in peril. It is a delicate time for the Reagan presidency.

Those abroad and at home protesting the nuclear-arms race have a genuine concern. The Israeli anxiety following the U.S. decision to sell Saudi Arabia the AWACS planes and support systems is real. The Soviets are not as familiar as American moviegoers with the charm and warmth of the man in the White House. Careless and casual talk about war is about their only measure.

If there is a corporate board member or main street merchant who still believes that Reagan's original concept of how to treat the economy can achieve the results desired, he wisely remains mute. The economic indexes tell us that Reaganomics at this time, in this particular mix, is not the full answer.

Carter and Budget Director Bert Lance

The periodic eruptions of Secretary of State Alexander Haig against back-corridor White House grousing over his performance are, if nothing else, enervating and diverting. Budget Chief David Stockman's unusual excursion into journalistic confession raises a credibility cloud that may be no bigger than a man's hand but capable of yielding acid rain.

There probably is no danger, as some gleeful Democrats would have it, that Reagan last week consigned himself to being "a ten-month President." But there are memories of how small and not-so-small ineptitudes can accumulate, until one day the balance unexpectedly tips against a man. Lyndon Johnson through budget deficits and Viet Nam setbacks was forgiven a host of petty exaggerations, but he ultimately was standing in the credibility gap. Some vague suspicion about Jimmy Carter's competence hardened the day he embraced his troubled friend and Budget Director, Bert Lance. Carter's presidency was never quite the same after that.

The Reagan Administration talks too much. True, the pressure from the press has grown immensely in the past few years, but there is no law requiring compliance. There has been built-in competition between the Secretary of State and the National Security Adviser in the White House since the days of John Kennedy. That conflict needs to be resolved structurally so that there is a clear voice, an established authority. The substance of David Stockman's confessionals was hardly spectacular. Professional economic critics had predicted it. Amateurs had sensed it and Reagan just a fortnight ago finally admitted it. Beneath the disappointment and embarrassment, however, lurks opportunity. Few successful programs emerge as Presidents plan them. Reagan stands at a point of departure, offered the chance to build a new scheme on some solid budget and tax gains and discard some failed notions. A vital presidency is perpetual motion.

In the end it comes down to the man. No one else can assert his authority clearly, or sketch the vision, or compel loyalty or design a comfortable and efficient structure for him. Reagan alone must seize events and move ahead of them.

One of the toughest remarks made about the President came in September from Democrat Clark Clifford, who, believing he was speaking off the record in Averell Harriman's salon, said that Reagan would be seen to be an "amiable dunce." In this political town, that is now nothing more than wishful Democratic thinking and after-brandy prophecy. But it is planted darkly beneath the surface and will be exhumed by critics, whether fair or not, if Ronald Reagan does not steady his house.

Important News For Smokers:

New Merit Research Released!

New survey results prove MERIT delivers in key areas of taste, ease of switch, and long-term satisfaction.

Rigorous new MERIT research proves it.

MERIT smokers confirm taste a major factor in completing a successful switch from higher tar cigarettes.

MERIT
Switch Clicks.

Nationwide survey reveals over 90% of MERIT smokers are *glad they switched* from higher tar cigarettes. In fact, 94% *don't even miss their former brands.*

Further Evidence: 9 out of 10 former higher tar smokers report MERIT an *easy switch*, that they *didn't give up taste* in switching, and that MERIT is the *best-tasting low tar they've ever tried.*

Year after year, in study after study, MERIT remains unbeaten. The *proven* taste alternative to higher tar smoking—is MERIT.

MERIT
Kings & 100's

Warning: The Surgeon General Has Determined That Cigarette Smoking Is Dangerous to Your Health.

© Philip Morris Inc. 1981

Reg: 8 mg "tar," 0.6 mg nicotine—Men: 7 mg "tar," 0.5 mg nicotine—100's Reg: 9 mg "tar," 0.7 mg nicotine—100's Men: 10 mg "tar," 0.8 mg nicotine av. per cigarette, FTC Report Mar.'81

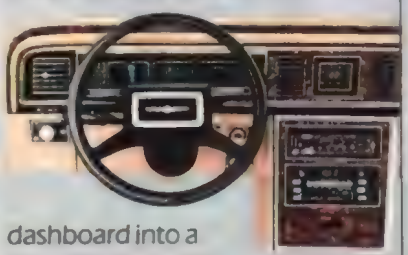
THUNDERBIRD

Technology and innovation: That's our style for '82.

With all of the compromises made in automobiles today, one car remains as clear of purpose and unique as its name. Thunderbird. And for 1982, that special thunder remains as attractive and unique to a very special kind of driver.

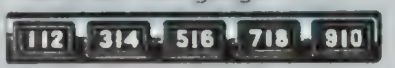
Instantaneously ingenious.

This year Thunderbird offers new elements that turn a



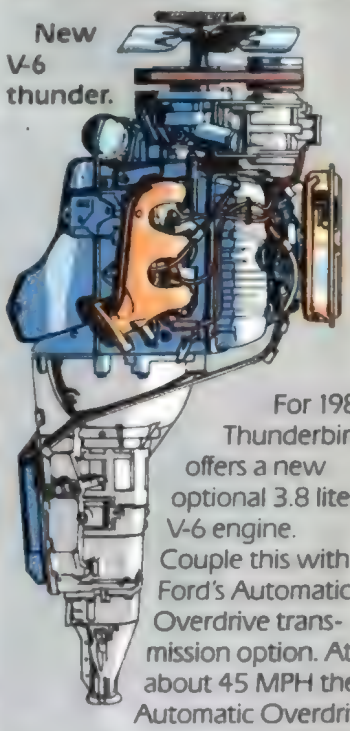
dashboard into a driver's information center. The Tripminder® computer option, new in Thunderbird,

displays time, elapsed trip time, trip average speed, current fuel economy, trip average fuel economy, total fuel used, and more. The optional electronic instrument cluster includes a digital speedometer and electronic "bar chart" fuel gauge.



And Ford's exclusive push-button keyless entry option allows locking and unlocking of Thunderbird's doors and decklid using your own special code.

New V-6 thunder.



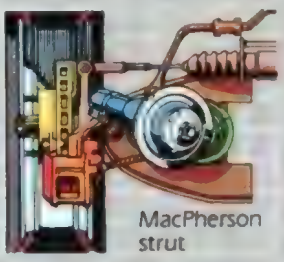
For 1982, Thunderbird offers a new optional 3.8 liter V-6 engine. Couple this with Ford's Automatic Overdrive transmission option. At about 45 MPH the Automatic Overdrive engages, cutting engine RPMs

LOOK OUT HERE COMES

by about one third. This reduces wear on engine parts and produces impressive highway fuel economy.

30 EST HWY **19** EPA EST MPG

For comparison. Your mileage may differ depending upon speed, distance and weather. Actual highway mileage lower.



MacPherson strut

Comfortable thunder. Like many European luxury cars, Thunderbird features a modified MacPherson strut front suspension and stabilizer bars, front and rear, along with Ford's 4-bar link rear suspension. Extensive sound insulation and a richly upholstered and carpeted interior complete Thunderbird's very special driving environment.

Thunderbird Privileged Owners Program.

This year, Thunderbird buyers will be entitled to an exclusive offer worth up to $600. It's the Thunderbird Privileged Owners Program. When you buy a new Thunderbird, or lease one for at least four months, you'll receive a certificate good for $300 to $600 off the purchase or lease of any new Ford car or Ford truck over the next four years (except rebated vehicles). Limit one per customer. Just make your purchase between Sept. 1 and Dec. 31, 1981.

THUNDERBIRD

FORD DIVISION Ford

WORLD FORD

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THE GIFT MOST LIKELY TO SUCCEED.

After all, it's the number one imported distilled spirit in America.

Give V.O. in abundance. Enjoy our quality in moderation.

Canadian whisky. A blend of Canada's finest whiskies. 6 years old. 86.8 proof. Seagram Distillers Co., N.Y.C.

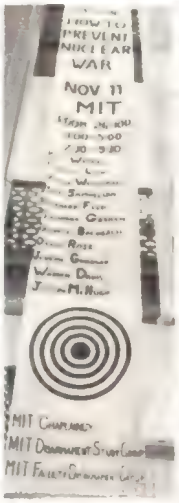
Bomb Alert

Teach-ins on nuclear arms

"What a waste it would be after 4 billion tortuous years of evolution if the dominant organism contrived its own self-destruction," Carl Sagan, popular guardian of the cosmos and professor of astronomy at Cornell, told a crowd of 2,000 in Ithaca, N.Y. "We are the first species to have devised the means." George Kistiakowsky, an adviser to President Dwight Eisenhower who had worked on the Manhattan Project, told a Harvard audience: "If I knew then what I know now, I never would have helped to develop the bomb." At U.C.L.A., Governor Jerry Brown declared: "It's possible to turn the arms race around by changing public opinion."

Peace activists set about doing just that last week at Veterans Day teach-ins on 148 campuses across the country. The convocations were organized by the Union of Concerned Scientists (U.C.S.), a group that for twelve years has fought for safeguards in the atomic-power industry and has now turned its efforts to the crusade against the nuclear arms race. Cosponsors as diverse as the National Council of Churches, the Council on Economic Priorities, and Physicians for Social Responsibility helped attract large audiences for speakers such as former SALT Negotiator Paul Warnke, former Tehran Hostage Moorhead Kennedy, and Democratic Senator Gary Hart of Colorado.

The movement these people represent, made up of an amalgam of professional groups, is nowhere near as vocal as the current wave of pacifism in Europe or as dogmatic as the unilateralist ban-the-bomb protests of the '50s. Said Hart: "If it grows into a unilateral thing, that would not be useful. We are talking here of responsible arms control." Nor were the seminars a replay of the rallies of the Viet Nam era. "During the 1960s we were concerned about our boys who were dying overseas," explained U.C.L.A. Philosophy Professor Don Kalish. "Now I'm concerned about myself. It's much closer to home." The discussions were sober and sobering, providing a detailed depiction of a nuclear holocaust. Said Howard Hiatt, dean of Harvard's Faculty of Public Health: "I think the medical realities are not clearly appreciated by those who talk about winning or surviving a nuclear war."



A sign of the times

The teach-ins generally did not address the complexities of the strategic struggle with the Soviet Union, or that country's own massive buildup of nuclear weapons. Yuri Kapralov, a counselor at the Soviet embassy, told a crowd in Boston: "I wish your leaders would talk as clearly and forcefully for peace as ours do." Said Jeffrey Knopf, a Harvard junior: "We're simply asking the Government to call the Soviets' bluff. The U.S. hasn't even matched the Soviets' willingness to talk."

Few of the teach-in panelists discussed the point that, for a decade or more, the Soviets have shown a marked willingness to build up their military establishment. Even so, the Veterans Day turnout seemed to indicate that the Administration is losing a propaganda battle. The sentiments at the seminars, like those in Western Europe, have been inflamed by President Reagan's musings on the possibility of fighting a limited nuclear war and Secretary of State Alexander Haig's suggestion that NATO could fire a nuclear warning shot to deter the Soviets from invading Europe. "Those statements do more to galvanize public concern than anything we do in an organized way," said U.C.S. Coordinator David Brunell, who helped plan the teach-ins. Hart says that the U.S. must regain the peace initiative by showing a greater willingness to negotiate arms agreements with the Soviets. As he said at Cornell: "The U.S. must go back to the bargaining table and offer a challenge to the Soviets to reduce nuclear weapons. If not, we entrust our survival to leaders who believe that a limited nuclear war can be fought and won, and who might act on that belief." ■

Newest Sub, Oldest Sailor

For some of the old salts gathered last week in Groton, Conn., to witness the commissioning of the U.S.S. *Ohio*, the U.S.'s first Trident nuclear-powered submarine, the occasion was tinged with sadness. Standing before them was the frail but still forceful Admiral Hyman G. Rickover, the man most responsible for the Navy's nuclear fleet. Only days before, Secretary of the Navy John Lehman, 39, had recommended that Rickover, 81, now Deputy Commander of the Navy's Sea Systems Command, retire after 59 years of active duty.

It was not the first time the Pentagon brass had tried to ease Rickover into retirement. But he has been able to beat back every attempt by marshaling the support of powerful friends in Washington. When he turned 64, the Navy exempted him from mandatory retirement, and since then Presidents have given him a series of two-year extensions on active duty.

The U.S.S. *Ohio* is commissioned. Inset: Admiral Hyman Rickover

Rickover is legendary for his tart, occasionally profane testimony on Capitol Hill, and critics argue that someone younger and less irascible should serve as the Navy's chief nuclear officer. He has had rancorous relations with General Dynamics' Electric Boat Division, the builder of the Tridents, charging the manufacturer with needless delays and outrageous cost overruns (now $420 million over the original estimate of $780 million in 1974). Says one Pentagon source: "He's gone through several Secretaries of the Navy and several Secretaries of Defense and has ignored most of them."

Though some of Rickover's aging defenders have left Congress in recent years, he doubtless hoped for a sympathetic ruling from President Reagan, at 70 no spring chicken himself. Asked about Rickover, Reagan reminded reporters that William Gladstone was Britain's Prime Minister at 83. But at week's end White House sources said Reagan had decided that Rickover should retire. Apparently to soften the blow to the proud sailor, Reagan plans to ask him to serve as a White House adviser on nuclear energy.

How to get a Merry

Christmas. Instantly.

When you're too big for Santa's lap, there aren't many people with whom you can talk turkey about what you really want for Christmas. Yet, lacking a means of communication, you could wind up with fruitcake again.

What is needed is an airtight plan with cushions attached. Our source, a heavy hinter herself, provided tips.

Select person or personnes most likely to want to give you a lovely gift.

"Pick out people who look like you," she advises. "Parents, sons, daughters, siblings; perhaps your husband or wife. Family members always wish to give you something you want, or suffer consequences."

Additionally, we might suggest close friends and admirers, employers, and of course anyone who owes you money.

Choose the very gift they most want you to have.

Don't count on empty requests such as, 'Give me something I want, please.' Example: You want a Polaroid camera. But there are six of them. So make sure they know *which* camera.

"Ask yourself: does your benefactor love you? Like you tremendously? Like you sort of? Or just see you every day in the lunch line? Ask for the camera that corresponds to the level of their devotion. Or ask for the most expensive one they can possibly afford to give you."

Advanced hinting techniques.

Indicate your choice below. Then tuck, tape, glue, frame, or float it in a prominent place. But be sure it's precisely clear *who* placed it there. You might write your initials in the box, instead of the anonymous x or ✓, who could be anybody.

Finally, upon opening your new camera, scream, "For moi?? Goodnesse, how did you *ever know*? Oh, I'm so surprised. Oh, thank-you-thank-you, Kiss Kiss."

Good luck. And Merry Merry.

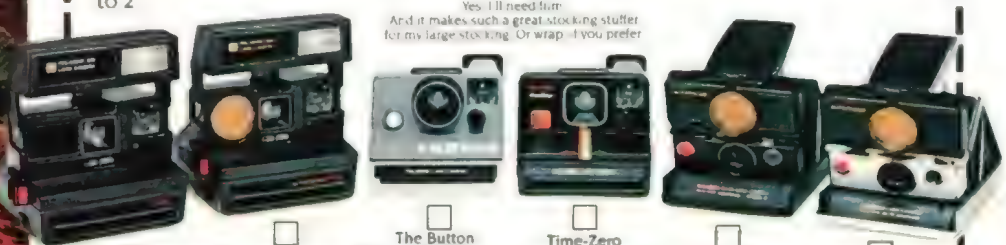
Polaroid means fun.

Our two new Sun Cameras use high speed (600 ASA) film. A built-in piece of the sun and proportional fill flash turn bad light into good pictures. Get as close as 4' with the Model 640; Model 660 with sonar Autofocus and close-ups to 2'

The least expensive way to enjoy Polaroid photography. Nothing to set or focus, just aim and shoot The Time-Zero OneStep. America's most popular camera, comes with a pack of Time-Zero film

The world's only folding SLR cameras, with 4-element glass lens, close-ups to 10.4" The features of 35mm with all the advantages of instant photography. The original in chrome and black leather; or the economical Model 2

☐ Yes, I'll need film. And it makes such a great stocking stuffer for my large stocking. Or wrap—if you prefer



☐ Sun Camera 640 $70*

☐ Sun Camera Autofocus 660 $95*

☐ The Button $29.95*

☐ Time-Zero OneStep and film. $49.95*

☐ Time-Zero SX-70 Autofocus Model II: $224.95*

☐ Time-Zero SX-70 Autofocus: $279.95*

*Suggested retail prices

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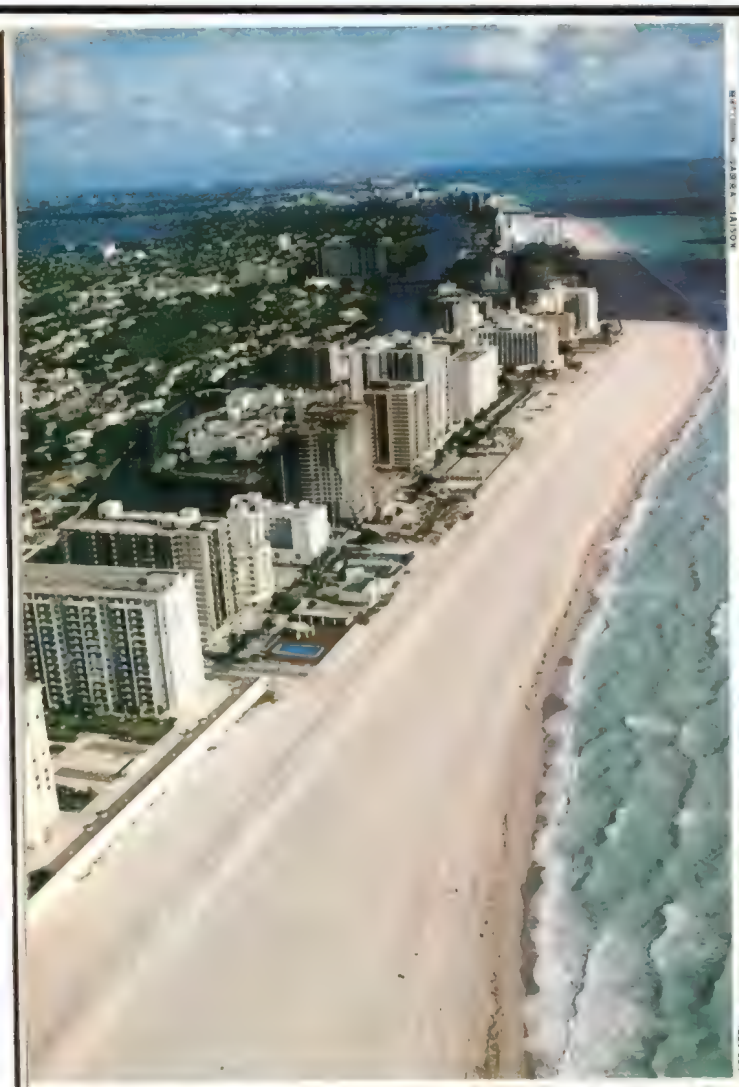


A pair of postcards: hotels hug the shore in Miami Beach, while trash lies uncollected on Grand Avenue in Coconut Grove

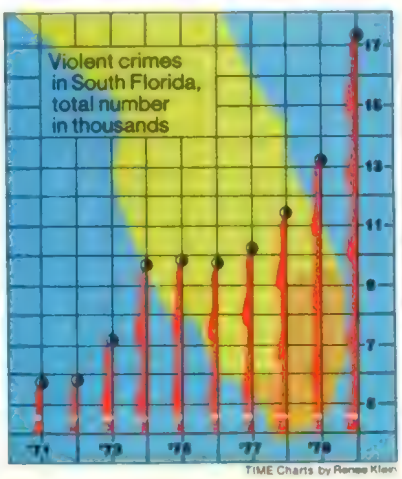
COVERSTORY

Trouble in Paradise

South Florida is hit by a hurricane of crime, drugs and refugees

November. The days grow short, the nights cold. Time to reach for that travel brochure for, where else, South Florida, America's favorite winter playground. Hmmm, let's see now. Here is a picture of palm trees swaying gently under a cottony blue sky while a family frolics in the foamy surf. Here is a snowy white heron flitting along a river of sea grass in the Everglades, the mangrove and palmetto serene as a Sunday morning. There is a creamy stucco Palm Beach mansion, its red tile roof glinting fiercely in the sun and bougainvillea rioting colorfully in the yard. And, of course, a couple of sunburned senior citizens of Miami Beach, he in a Hawaiian shirt and she in purple culottes, waiting their turn on the shuffleboard court.

Those snapshots of life in South Florida are as accurate today as they were a generation ago. But they are being crowded out by some altogether different scenes, a collection of photos not found in any Chamber of Commerce travel brochure. Here is a picture of a policeman leaning over the body of a Miamian whose throat has been slit and wallet emptied. There is a sleek V-planed speedboat, stripped of galleys and bunks and loaded with a half-ton of marijuana, skimming across the waters of Biscayne Bay. Here are a handful of ragged Cuban refugees, living in a tent pitched beneath a highway overpass.



TIME Charts by Renee Klein

Inspecting a cache of marijuana in a seized boat

A few sunshine boys while away their retirement playing cards in a Miami park

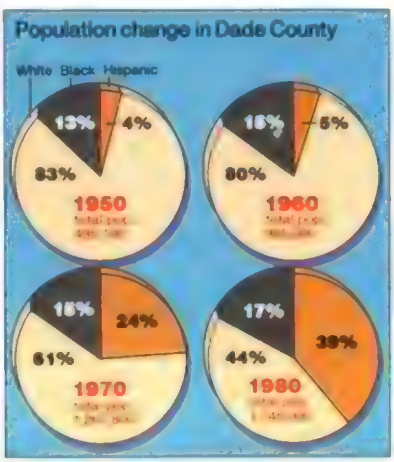
A woman learns to shoot straight at the Tamiami Gun Range in Dade County, as Haitians pass by a timely plea in Miami's Little Haiti

South Florida—that postcard corner of the Sunshine State, that lush strip of hibiscus and condominiums stretching roughly from Palm Beach south to Key West—is a region in trouble. An epidemic of violent crime, a plague of illicit drugs and a tidal wave of refugees have slammed into South Florida with the destructive power of a hurricane. Those three forces, and a number of lesser ills, threaten to turn one of the nation's most prosperous, congenial and naturally gorgeous regions into a paradise lost.

Consider what South Florida is up against:

▸ When the FBI issued its annual list of the ten most crime-ridden cities in the nation last September, three of them were in South Florida: Miami (pop. 347,000) was in first place, West Palm Beach (pop. 63,000) was fifth and Fort Lauderdale (pop. 153,000) was eighth. Miami last year had the nation's highest murder rate, 70 per 100,000 residents, and this year's pace has been even higher.

▸ An estimated 70% of all marijuana and cocaine imported into the U.S. passes through South Florida. Drug smuggling could be the region's major industry, worth anywhere from $7 billion to $12 billion a year (*vs.* $12 billion for real estate and $9 billion for tourism, the area's two biggest legitimate businesses). Miami's Federal Reserve branch has a currency surplus of $5 billion, mostly in drug-generated $50 and $100 bills, or more than the nation's twelve Federal Reserve banks combined. Drug money has corrupted banking, real estate, law enforcement and even the fishing industry, whose practitioners are abandoning the pursuit of snapper and grouper for the transport of bales of marijuana ("square grouper," as fishermen call it) from freighters at sea to the mainland. About one-third of the region's murders are drug-related.



▸ Since the spring of 1980, when Cuban President Fidel Castro opened the port of Mariel to those who wanted to leave, about 125,000 "Marielitos" have landed in South Florida. In addition, 25,000 refugees have arrived from Haiti; boatloads of half-starved Haitians are washing up on the area's beaches every week. The wave of illegal immigrants has pushed up unemployment, taxed social services, irritated racial tensions and helped send the crime rate to staggering heights. Marielitos are believed to be responsible for half of all violent crime in Miami.

To a visitor, South Florida still looks like the Sunbelt's shiniest jewel. New hotels and office towers are rising in Miami, and once sleepy towns near by are growing skylines of their own. The Rolls-Royces still roll royally along Palm

A Haitian storekeeper displaying her wares of religious and voodoo articles . . .

. . . while another Haitian learns to make paper flowers and a Cuban peddles fish . . .

. . . and newly arrived Haitians wait in Dade County's Krome Avenue North Detention Center

Beach's Worth Avenue, and Fort Lauderdale is, as ever, where boy meets girl every Easter vacation.

Over the past two decades, South Florida in general, and Miami in particular, have undergone a Latin-flavored business boom that is putting much of the glitter back into the Gold Coast. Some 12.6 million foreigners, most of them Spanish speaking, visited the Miami area last year. At least 100 multinational companies now maintain their Latin American headquarters in South Florida. Though economic and political woes in Latin America are expected to slow the influx of tourists from the south, Miami will no doubt remain, as the late President Jaime Roldós of Ecuador put it, the "capital of Latin America."

The Latins are gradually turning the region into their own colony. Of the 1.7 million residents of Dade County (Miami and environs), 39% are Hispanic (*vs.* 44% white and 17% black). It is estimated that by 1985 the Latins will become a majority in Dade, outnumbering non-Latin whites 43% to 42%. The Latin influence is so strong that the mayoral run-off election in Miami last week was a hard-fought battle between two Hispanics, Puerto Rican-born Incumbent Maurice Ferré and Challenger Manolo Reboso, a Cuban-born former city commissioner. Ferré was re-elected for a fifth two-year term.

Yet to many Anglos and Hispanics, South Florida is becoming a nice place to visit—but. Indeed, some of the would-be visitors are staying home. Though revenues from tourism are expected to rise by 1½% this year, hotel occupancy rates in Dade County are down by as much as 25% from last year, and only by raising room prices by an average of 20% have many resorts managed to stay in business. The area's real estate boom, which doubled the price of an average one-family house between 1978 and 1980, has virtually stopped dead. Even the environment, long the region's most attractive asset, is showing signs of wear. Decades of economic growth threaten to outstrip the water supply; water is occasionally rationed in some parts of the area. "We're at a crossroads," says Jane Cousins, a leading Miami real estate agent. "No city in the world has ever had happen to it what has happened to us."

What did happen? The answer lies partly in the region's geography and partly in its history. The area is a natural Ellis Island for all those coming, for whatever reason, from the Caribbean and points south. The region's benign climate and studied informality have long made it a prime destination for Americans on the make, on the lam or on a pension. With its hundreds of miles of coves and inlets, the area is also an ideal port of entry for boats laden with drugs, or any other cargo worthy of the smuggler's interest.

When Ponce de León first sighted the shores of what he believed was an island on a balmy March day in 1513, he named

it Florida (full of flowers), in honor of the Easter season. The region was settled slowly, even reluctantly. South Florida, in particular, was terra incognita. The Florida land commission described it in 1823 as a place "of half-deluged plains, deep morasses, and almost inaccessible forests . . . a home only for beasts, or for men little elevated above beasts."

One of those a bit more elevated was a young Cleveland widow by the name of Julia Tuttle, who moved to Miami in the 1870s. The city then was a makeshift village of shacks and sand trails hacked out of palmetto groves. When a freeze destroyed the citrus crop of central Florida in 1894, Tuttle picked a bouquet of orange blossoms untouched by the frost and sent it to Financier Henry Flagler as proof that South Florida was worth a look. Flagler, who was already building up St. Augustine, came, saw and was conquered; he built a railway to Miami and beyond, all the way to Key West.* During World War I, the Government put a number of training camps in Florida, and after the war ended, some of the doughboys returned. The first great Florida land boom was under way.

Hundreds of thousands streamed into the state, some 2.5 million people in 1925 alone, to stake out their lot in the sun. Many bought their land sight unseen, and some found themselves proud owners of swamps and tidal marshes. The boom went bust in 1926 when Northern banks stopped writing mortgages on Florida lots and a savage hurricane lashed Miami, killing several hundred people. Florida's fortunes ballooned again after World War II, in part because a new wave of doughboys hit its beaches. From 1950 to 1960 the population of South Florida doubled to 1.5 million, and during the 1960s swelled to 2.2 million. The wave has yet to crest. South Florida grew at an annual rate of 44% during the 1970s, four times the national average, to its present 3.3 million.

South Florida has perhaps grown too fast ever to grow up. "We are still longing for maturity," says Miami Historian Arva Parks. "We have always been vulnerable to certain kinds of people, so that when opportunity knocked, exploitation answered." Even today, most of those who live in the area grew up somewhere else, and their sense of community may extend only as far as the K mart down the street. "You can't compare us to Boston or Denver," says Mayor Ferré. "Our people's roots are always somewhere else."

By far the most visible problem in this rootless region is crime. South Floridians talk about crime the way people elsewhere talk about sports or politics. Listen, for example, to Carole Masington, the wife of an attorney, who lives in a well-to-do suburb of South Miami: "We had two manhunts in my neighborhood in one week. One friend was mugged, another was assaulted and raped. My favorite storekeeper was beaten and hospitalized, and my mother was robbed twice. And I am just one person." Or hear the Rev. Paul MacVittie, pastor of the First Presbyterian Church in downtown Miami: "My car has been broken into three times, my house has been robbed once, and my 15-year-old son was mugged." His wife, Robin, was mugged, shot and severely wounded in a Coconut Grove shopping center.

The three Gibb brothers, known as the Bee Gees, live in a wealthy enclave in Miami Beach. Barry Gibb's wife Lynda had her purse snatched. The trio's father Hugh Gibb was mugged. "No woman should be alone in this city," says Barry. "Or man," adds Bee Gee Brother Robin. Residents of nearby Golden Beach obviously agree: the city council voted last month to close six of the seven streets leading into town, and place a gate and a guard at the seventh.

The bloodiest crimes tend to be committed by drug dealers and refugees, and often that warfare is intramural. One man was shot as he walked from his apartment building in Miami; injured, he was taken to Miami's Mercy Hospital where he was again shot, this time fatally, in his bed. As Elio Gonzalez and his twelve-year-old son Eric were getting out of their car in front of their home in North Miami, another car raced by spraying machine-gun fire; both father and son were killed. (Twenty-three percent of Miami's murders last year were committed with machine guns, a favorite weapon of drug dealers.) So many bodies now fill the Miami morgue that Dade County Medical Examiner Joe Davis has rented a refrigerated hamburger van to house the overflow. "If you stay here, you arm yourself to the teeth, put bars on the windows and stay at home at all times," says Arthur Patten, a Miami insurance executive. "I've been through two wars and no combat zone is as dangerous as Dade County."

As terrified residents search for protection, the region is beginning to be as armed as a military base. In the past five years, 220,000 guns have been sold in Dade County—an average of more than

*The Florida East Coast Railway stretched some 500 miles from Jacksonville to the Keys, but the 150-mile link between Miami and Key West was Flagler's crowning achievement. Begun in 1905, it was an engineering marvel of bridges and viaducts, with 80 miles of track built over water and the longest of the bridges spanning seven miles. A Labor Day hurricane in 1935 destroyed the tracks on the Keys, but the roadbed was widened and opened as a highway in 1938.

Bridging the Cultural Gap

In most of the U.S., they would be something of a rarity these days—three generations under one roof. They share a modest, four-bedroom house in Westchester, a mostly Cuban town in the western part of Dade County: Carlos Marquez Sterling, 83, and his wife Waldina Hernández Cata, 66; Daughter Uva, 37, and her husband Jorge J. Clavijo, 45; and their two children, Uvi, 17, and Christina, 12. As has been true of other Cuban families with several generations living in South Florida, some members of the Marquez Sterling dynasty have found adjusting to the American way of life difficult. Admits Uva: "We have encountered all the problems of adaptation."

Don Carlos, the patriarch of the family, grew up in Cuba and, as a professor of history at the University of Havana, helped write his country's 1940 constitution. Nearly two decades later he found himself opposing both the corrupt regime of President Fulgencio Batista and the revolution headed by a former student of his named Fidel Castro. After Castro gained power on New Year's Day 1959, Don Carlos, his wife and stepdaughter fled the country and settled in Washington. Uva's boyfriend Jorge left Cuba to join Uva in 1961. That same year, the family moved to New York City, where Don Carlos eventually took a job teaching Spanish at Long Island's C.W. Post College. Jorge and Uva married in 1962. The entire family moved to South Florida in 1978.

MATTISON—GAMMA/LIAISON

Don Carlos, center, and his family

The move, Uva believes, was "a great decision." She is a writer and poet at home in the Latin atmosphere of Miami. "Even though I've been in the U.S. for 21 years and know English well enough, I feel in Spanish," says Uva, who has published four books of poetry in her native language. She will begin graduate studies in Spanish literature at the University of Miami this January, while Jorge, a real estate agent, is studying for his B.A. in political science at Biscayne College. Don Carlos still taps out a column three times a week for a Spanish-language newspaper, while Uvi is a freshman at Miami-Dade Community College and Christina is in seventh grade.

There are strains. The grandparents prefer to speak Spanish at home and tune in only Spanish-language TV and radio programs, while Uva and Jorge switch back and forth between Spanish and English programs, and Uvi and Christina strictly prefer American offerings. The grandmother feels that her grandchildren's American friends are "very ill-mannered and have excessive freedom," and Uva must often act as referee between her mother and her daughters. Twenty years ago, for example, the grandparents insisted that a chaperone accompany Uva and Jorge when they went out, but now Uvi is permitted to go on dates without one. Even Uva and Jorge are sometimes divided over U.S. manners and mores. "Cuban men find it difficult to adjust their machismo to allow their women to work," says Uva. "This has been tough on Jorge, but he has adjusted."

The commitment to overthrowing Castro varies from generation to generation. "The people of Cuba will need help from the exiles," says Don Carlos. "I'm ready to serve." Admits Jorge: "We still feel very strongly about what has happened to Cuba, but we must face reality and go on living. And as time goes by, most of the younger generation will not have the attachment to the Cuban cause we have."

More often than not, Uva feels, "I'm part of the generation that is caught in the middle." She and her husband bridge the gap by trying to eat dinner with the entire family every night and serving Cuban food at least twice a week. Uva and Jorge recognize, though, they cannot raise their children as if they still lived in their homeland. They gave Uvi a used Toyota, for example, when she graduated from high school last June. "It would be unthinkable in Cuba," says Jorge, "but she needs the car to drive to college every day."

Still, the family remains close. "My in-laws are smart enough not to live in the past," says Jorge. Don Carlos does seem to accept the American influences on his grandchildren. "They have grown up here, they speak English better than Spanish, and their mentality is more English than Spanish," he admits. Yet Granddaughter Uvi adds, "I know I am an American, but from my parents I feel there is still something that is Cuban in me." Don Carlos would no doubt be pleased.

seven guns for every new household. So far this year, gun sales in the county have risen 46% over 1980, to a record 66,198. It is easier to buy a pistol than an automobile in Florida, where the gun lobby has frustrated virtually all attempts at handgun controls. Even the Rev. MacVittie has purchased a revolver to keep in his home. "That is one hell of a way to live," he says. Adds Janet Cooper, a legal researcher who lives in Miami: "I see people walking down the streets openly carrying guns, some in their hands, others in their holsters. You don't dare honk your horn at anybody; you could end up dead."

Besides buying such standard gear as pistols and window grates, residents are purchasing attack dogs, alarms that scream out "Burglar! burglar!" and even armor-plated cars usually made for export to the war zones of Central America. George Wackenhut, who heads a giant Coral Gables–based security firm that bears his name, has watched his business in South Florida grow by 22% this year. "When I was growing up, a murder story used to be good for ten days in the papers," says Wackenhut, a onetime FBI agent. "Here a morning kill may not even make the afternoon news."

South Florida is just beginning to be the crime capital of the nation, but it has been the drug capital for a decade. Smuggling dope into the region is about as difficult as buying a souvenir in Miami Beach. "They land it in everything but a bathtub," marvels Patrolman Doug Morris of the Dade County public safety marine patrol, whose dozen men and six boats help patrol the 550 sq. mi. of county waterways. "Hell, they even fly coke in from a ship in one of those remote-controlled toy planes and land it on a bayshore condo."

A favorite strategy of marijuana smugglers is for a drug-laden "mother ship," usually an aging freighter, to sail from Colombia or the Caribbean and then stay bobbing 50 miles or so off the Florida coast. On long hauls, drug runners motor out to the mother ship in yachts and fishing boats to pick up the cargo and then shuttle back to the mainland, docking anywhere along some 3,000 miles of South Florida coastline; on shorter hauls, they roar out in souped-up racing speedboats, called "cigarette" boats after the tobacco-bootlegging vessels of the 1930s. Costing as much as $250,000 and able to reach speeds of up to 70 m.p.h., many of the cigarette boats are outfitted with such sophisticated equipment as radar scanners and infra-red night-vision scopes. Cocaine, however, is usually flown into the U.S. by airplane. Customs officials estimate that some 80 planes secretly land in the U.S. every night carrying cargos of white powder, most of them landing in South Florida.

Battling the dope runners are the combined forces of the U.S. Customs Service, the Coast Guard and the Drug Enforcement Administration, as well as local law-

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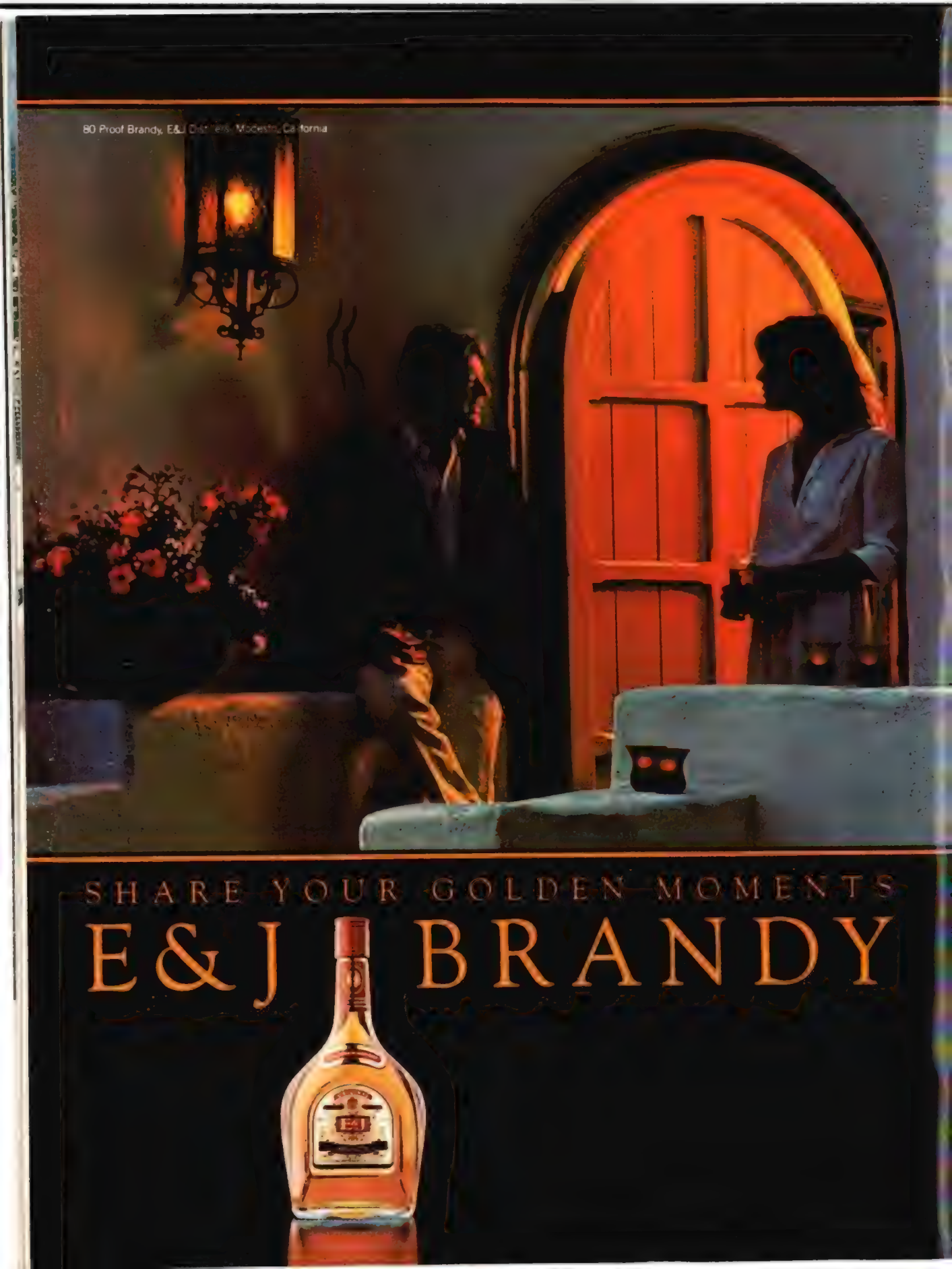
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men. But they all are fighting a losing battle. Last year law enforcement officials seized 3.2 million lbs. of marijuana, with a street value of $1.3 billion, and 2,353 lbs. of cocaine worth $5.8 billion, in and around South Florida. So much dope was seized that the police began trucking it to the Florida Power and Light Co. to burn in its generators (732 lbs. of marijuana equal 1 bbl. of oil, one of the odder statistics to emerge from the region). Yet officials estimate that perhaps as much as ten times the amount seized was smuggled into the region. At the moment, Dade County police have a stash of 162,000 lbs. of marijuana waiting to be entered as evidence in court cases. The Customs Service has 200 seized cigarette boats and 50 airplanes, including a World War II–era A-26 bomber that was, ironically, used by Customs agents on drug cases before it was bought by a marijuana ring.

Anglos tend to work the marijuana trade, while the cocaine market is controlled by Colombians and Cubans. No matter what their specialty, the illegal entrepreneurs can be easily spotted. Young Anglos wearing scruffy Levi's and T shirts, gold Rolex watches and ropes of gold chain sit around the marinas waiting for the next call from a mother ship. Current pay for one night's work piloting a "cigarette" averages $50,000, while the wages for unloading the bales are $5,000 to $10,000 a night.

Cuban dealers favor Mercedes Benzes and bodyguards dressed in dark suits and carrying two guns (one under the coat and one strapped to the ankle). José Medrano Alvero Cruz, nicknamed El Padrino, always travels in a Rolls-Royce protected by cars full of bodyguards. Alvero, who is fond of listening to the theme song from *The Godfather* on his car stereo, never talks on the telephone and keeps himself insulated from any drug deal through relatives and friends. Nevertheless, he was recently convicted for tax evasion.

The Colombians are the most secretive of all, preferring to keep the business in the family. Officials estimate that there are from 50 to 150 top Colombian traffickers in South Florida, with another 200 or so middle-level managers. Wives, brothers, sisters and children all help out. That is one reason why narcotics agents have failed to break any of the big coke rings in the area. "Say I have 75 pounds of coke that has just come in," explains "Benavides," a Colombian-born drug dealer who lives in Miami. "Who am I going to trust better than my brother? I take it to his place. After all, I am paying the rent."

Beyond the ties of kinship lurks the threat of death, and revenge killings among the cocaine traders certainly contribute to South Florida's crime rate. Drug shootouts are becoming a frequent sight in certain parts of Miami. At a busy intersection in Coral Gables last month, for example, a Mercedes Benz was suddenly surrounded and its 30-year-old Colombian driver killed in a burst of machine-gun fire.

The billions in narcobucks, as police have dubbed the drug money, allow its recipients to buy, in cash, $1 million waterfront homes, $50,000 Mercedes and $400 bottles of wine. One drug kingpin alone has bought up some $20 million worth of prime Miami real estate. Says Miami Financial Analyst Charles Kimball: "Criminals have become conspicuous buyers of some of the best properties in South Florida."

Most, if not all, of Miami's 250 banks have drug money in their accounts. As many as 40 banks still neglect to report cash deposits of $10,000 or more, as required by law. And at least four banks, according to law enforcement officials, are controlled by drug dealers. Treasury Department investigators have long suspected that some smaller banks, known as Coin-o-Washes among both cops and criminals, were founded primarily to launder money for the drug trade (*see box*).

Perhaps the most valuable commodity bought by all that cash is freedom. Once caught, suspected drug dealers are often released on bail of $1 million or more. They typically pay it within hours, sometimes in cash, and skip town. Dealers regard the forfeited bail as merely a cost of doing business. If a prosecutor's case is airtight, money can sometimes pry it open. "We pay for what we need as we need it," one lawyer bragged to TIME. "If we can't bribe the cop, we try to bribe the prosecutor and, if we can't get the prosecutor, we try to buy the judge."

Next to crime and drugs, South Florida's most pressing problem is refugees. The 125,000 Marielitos who fled Cuba last year have strained the area's economy and aggravated its racial tensions, perhaps irretrievably. Nothing infuriates South Floridians as much as the deeds of the convicts and mental patients Castro sent along with the rest of the fleeing Cubans. Officials estimate that as many as 5,000 Marielitos are hard-core criminals. This year 53 refugees have been arrested in Miami for murder, and many more have been jailed for rapes and robberies. Fifty-one Marielitos themselves have been killed in Miami this year, most of them by other Marielitos. More than a quarter of those in Dade County jails are refugees.

The innocent Marielitos constitute a different kind of burden to South Florida. Some 25% are without work: their numbers helped raise unemployment in Dade County from 5.7% to an estimated 13%, though they are not included in the official figure of 7.4%. Welfare rolls have jumped by a third, while some 16,000 refugee children have crowded into the classrooms of Dade County public schools. Yet the budget cuts planned by the Reagan Administration are expected to shave refugee aid to Florida in this fiscal year, leaving the county with an added tab of $30 million for its unexpected guests.

Perhaps the saddest dilemma facing South Florida is the plight of the refugees from Haiti. Law enforcement officials pick up about 500 Haitians a month on Florida's beaches, but probably just as many slip in without getting caught. The 600-mile journey from Haiti is often arduous, a measure of how desperately Haitians want to leave their country. Many sell all their possessions and hire professional smugglers, who often starve them, beat them, or even dump them overboard. Others pool their money to buy a makeshift boat and then hire a local fisherman, who may know little about navigation, to bring them to America. The trip can easily end in tragedy, as happened when a rickety 30-ft. sailboat carrying 63 Haitians was swamped in the Florida surf last month, claiming the lives of 33.

Still they come, for Haiti is both a desperately poor country—its per capita income of $260 a year is among the world's lowest—and an oppressive dictatorship, ruled by Jean-Claude ("Baby Doc") Duvalier. The Reagan Administration holds that nearly all the Haitian refugees are fleeing their country to escape poverty, not repression, and are thus not eligible to be admitted as political refugees. Others believe that many of the refugees are indeed entitled to political asylum, and cite evidence of

those returned being beaten and tortured in Haitian prisons. As Father Gérard Jean-Juste, a Haitian exile leader, puts it, "There's a song being sung in Haiti now: 'The teeth of the sharks are sweeter than Duvalier's hell.' "

Some 1,000 Haitians are in Dade County's Krome Avenue North Detention Center, which is designed for no more than 530 people. The fortunate former detainees who have been released to sponsors are likely to be found in Little Haiti, the neighborhood north of 36th Street in Miami. "The Haitians take care of each other as well as they can," says Fernand Cayard, owner of a local supermarket. "No one is sleeping on the streets." Jean François, a 25-year-old Haitian, shares a three-bedroom wooden frame house with 19 fellow refugees. "Everyone sleeps in shifts," explains François. "He who works gets the shift of his choice. Those who can pay help pay the rent."

Not all the foreign newcomers to South Florida are poor. Inspired by the Nicaraguans who fled their country after the downfall of President Anastasio Somoza in 1979, wealthy families from El Salvador, Guatemala, Venezuela and Argentina are nervously preparing a South Florida refuge in case their own governments totter. They are pouring their fortunes into Miami banks; it is estimated that as much as $4 billion in Latin exile money is socked away in Miami.

Hope Somoza, the widow of the Nicaraguan President, lives in Key Biscayne. Nicole Duvalier, who opposes her brother Baby Doc, owns a sumptuous home in southwest Miami. The son of the late Fulgencio Batista, former President of Cuba, works as a model in Fort Lauderdale. A retired leader of the Tonton Macoute, the Haitian secret police, lives in Miami. Says one leading political exile, alive and well in Key Biscayne: "God, all I have to do is go out to the pool and I find everyone I knew there here. They are all speaking Spanish and walking around in their bathing trunks."

The most visible exiles remain the Nicaraguans, and along with their bank accounts they have brought a distinct brand of right-wing politics. As they mingle in South Florida society, they become the sad spokesmen of old allegiances and lost causes. "Juan Carlos," an exile who once ran a match factory in Nicaragua, now commutes from Honduras to Miami in search of funds for his guerrilla forays into his old homeland. "What they are doing is putting on a road show that they hope someone will see and support," says a veteran political exile. "The Bay of Pigs was born in Miami, and they can't help feeling another Bay of Pigs is being prepared for Nicaragua."

The Latin tinge that now colors South Florida is still primarily Cuban. The refugees who began arriving from Castro's island in the early 1960s were largely middle-class professionals, and over the past

Life in the Drug Trade

By the time Donald Steinberg was 28, he and his Fort Lauderdale "company" owned waterfront homes and office buildings in Florida, apartments in Houston and a town house in New York City that was later sold for $2 million. With his partners, he maintained a fleet of three dozen or more boats—no one kept count—and a cash reserve so large they could shrug off million-dollar business losses. Eventually they had to buy their own turboprop airplane to ferry overflowing cash profits to uninquisitive banks in the Bahamas and Cayman Islands.

Steinberg and his partners made scant effort to hide their wealth. At restaurants they ordered $400 bottles of wine. At Steinberg's $400,000 home were parked a Maserati, a Lamborghini, a Ferrari and the inevitable Rolls-Royce. One of Steinberg's partners gave a Mercedes to a girl he barely knew.

Gradually they became sophisticates in international finance. For one deal, says Steinberg, they siphoned money through a yacht broker in Miami to a bank in the Caymans, thence to Hong Kong, and ultimately to Thailand. Later Steinberg dispatched cash and trusted aides to start a multimillion-dollar agricultural operation in Kenya. The crop: marijuana.

Steinberg's former estate near Fort Lauderdale

Steinberg and friends were South Florida drug dealers. Big ones. According to the U.S. Drug Enforcement Administration, at Steinberg's peak in 1978 his group imported one-sixth of all marijuana entering the country. Steinberg accepts the DEA's estimates of his business ($100 million annual revenues on 500,000 lbs. of marijuana) but not his exalted rank. Says he: "There are hundreds of outfits like mine. Certainly there are scores."

Like many other dealers, Steinberg started as a pot smoker in his home town (Carpentersville, Ill., pop. 23,000), trying to finance his recreational use. The business seemed so easy that it just grew. Throughout their perilous escapades, Steinberg and friends remained calm, peaceful, fun-loving, devil-may-care. They never used force. If an aide was kidnaped, they paid the ransom. If a distributor burned them on a payoff, they simply did not deal with him again. Their mothers, aunts, wives, girlfriends were recruited to rent safe houses in Miami suburbs for storing drugs or to ride along as evidence of propriety when they were transporting a shipment. Says Steinberg: "I never saw a gun the whole time I was in the business."

As the business grew they took precautions: changing telephone numbers frequently, talking in code, using electronic black boxes to conceal the locations from which they spoke. Yet at heart, the dealers remained kids who believed they would never be caught. The downhill slide started when Steinberg directed one operation from a Fort Lauderdale hotel room. Calls to his extension tied up the entire switchboard; a suspicious owner called the police. The gang scrambled out the windows but left behind marijuana, 7 lbs. of cocaine (value: $180,000) and $1.2 million in cash, plus meticulous account books and records. It took police a year to trap Steinberg. Then a technical error in their search warrant gave him time to win his release and flee.

He made his way to San Pedro, Calif. There DEA agents caught him, despite a suitcase full of fake IDs and passports, because of concern for his dog: he had given a veterinarian his home phone number and the real name of his St. Bernard, Sasha. Special Agent Richard Mangan, a resourceful DEA investigator, recognized the name.

Convicted under an organized-crime statute, Steinberg languishes in a South Florida jail, facing possible life imprisonment. To mollify prosecutors, he handed over $2 million, his last remaining assets from a business that once reaped a $12 million profit in 90 days. His marriage broken, his friends in jail, his career ended, Steinberg still sees himself as much the same gentle youth who served as a medic in Viet Nam for eight months in 1968. Says he: "Marijuana doesn't hurt anybody. We never saw ourselves as really doing anything wrong."

two decades they have transformed Miami from a resort town into an international city where *"buenos días"* and *frijoles negros* are as familiar as "good morning" and hamburgers.

The signs of Cuban influence are everywhere. Miami's Little Havana, the epicenter of the Cuban community that stretches along Eighth Street (or *Calle Ocho*,) is a foreign land. In Antonio Maceo Park (named for a black Cuban patriot), old Cubans pass the time playing dominoes or reading Spanish-language newspapers that carry headlines like THE PLAN TO INVADE CUBA IS READY. The Miami *Herald*, the city's largest newspaper, is printed daily in Spanish as *El Herald*. Its circulation: 421,236 in English; 60,000 in Spanish. Three television stations and seven radio stations in South Florida broadcast Spanish programs. There are six Spanish legitimate theaters, two ballet troupes and a light opera company. Some stores in Little Havana even carry the helpful message: *Habla inglés*.

Yet just beneath that cosmopolitan veneer, ready to erupt, are tensions between the Cubans and their fellow Floridians. Dade County voters last year approved, 3 to 2, an ordinance that forbids the spending of its public funds to promote bilingualism. The bad blood has risen dramatically since the arrival of the Marielitos last year. Whites in particular resent picking up the tab of caring for the newcomers, but the animosity spills over on all Cubans. "I wonder who really upsets whites the most," says Monsignor Bryan Walsh, who ran a resettlement program for Cuban children in the 1960s, "the poor Cuban on welfare or the rich Cuban with three Cadillacs and a Mercedes out buying the county."

The blacks are upset by both kinds of Cubans. Stuck on the bottom rung of South Florida's economic ladder, they have always resented the more prosperous Cuban minority. With the arrival of the Marielitos, blacks feared that they would lose out in the scramble for the few low-skill jobs available in the region. Even in Liberty City, the black enclave in North Miami where 18 people died in last year's riot, the Latin influence is apparent. White store owners who abandoned their businesses are being replaced by Latin landlords. "The only things blacks have in Miami are several hundred churches and funeral homes," says Johnny Jones, a former Dade County school superintendent. "After a generation of being Southern slaves, blacks now face a future as Latin slaves."

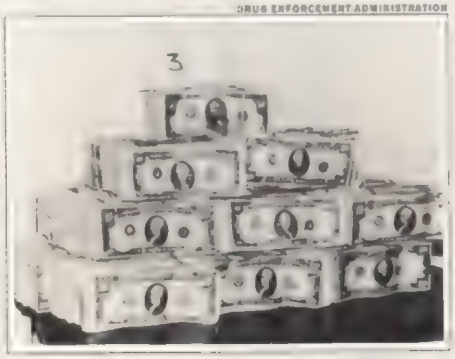
Ironically, the Cubans themselves are a divided community. La Comunidad, as the older Cubans are called, fears the Marielitos will tarnish the reputation they have labored so hard to build in South Florida. "I tell my employees that if a black comes here asking for money, give it to him," says one prosperous Cuban gas station owner in Little Havana. "If an Anglo comes to rob us, give it to him. But if a Marielito comes here, kill him. I will pay for everything." The older Cubans also find themselves in a cultural and political

Lost in the Laundry

On a good day, Isaac Kattan Kassin deposited as much as $1 million. The money would be delivered almost every morning to three or four different banks in the Miami area. The convicted drug dealer's teams of Hispanic helpers, often aided by bank guards, would lug cardboard boxes and suitcases stuffed with cash to the tellers' windows. That simple method of handling his share of the $12 billion or so in "narcobucks" that flood Florida each year used to be the norm—until he and others like him began running afoul of Operation Greenback, the federally coordinated effort to control the drug trade by strangling its cash flow.

Making extensive use of computers, federal agents are now tracking drug dollars by correlating the currency-transaction reports that each bank by law must file for deposits of $10,000 or more. So far officials have traced $2 billion in suspect funds to their original source, a paper trail that has led to 51 indictments. They have also confiscated $20 million of drug cash and assets.

But every offensive in the war on drugs merely seems to prompt dealers to grow more ingenious in their evasive methods, and Operation Greenback has had precisely that effect. The dealers have found a number of ways to move large amounts of money while avoiding detection by the feds. By this "laundering" process, ill-gotten gains are made to look like legitimate business receipts.



A cache of "narcobucks" seized by authorities

It is not uncommon in South Florida to see a stream of young people come up to a teller and count out just under $10,000 from overstuffed shopping bags for deposit. The major operators, who find this too cumbersome, have initiated a reverse airlift, sometimes using the same planes that fly drugs into Florida to take suitcases of cash out of the U.S. to discreet banks in places like the Bahamas or the Cayman Islands. Other dealers simply pay a commission, $10,000 a week or so, to the dwindling number of Florida bankers willing to fudge or forget their transfer reports. Says one former smuggler: "I was paying up to 2% of my deposits to bank managers not to fill out the forms."

Drug importers in South Florida commonly pay for their merchandise by opening a checking account in a local bank under a false name, then quickly transferring the money to a bank in Colombia or another country where drugs are produced. By changing account names every few months, the dealers can stay ahead of government sleuths. The transactions at the South American end are usually handled by professional money exchangers who trade the U.S. currency on the black market to avoid low official exchange rates. The FBI launched an undercover "sting" this summer by creating such a money-exchange company in South Florida. Dealers used it to send money back to their suppliers and avoid U.S. banking laws, until 25 people were arrested. One confiscated transaction was for $9 million.

Perhaps the most popular ruse to launder drug cash, and simultaneously hide it from the IRS, is the use of phony companies in the Caymans or anywhere else with low business taxes and helpful bank secrecy laws. It is one of many devices the dealers have learned by following the example of shady U.S. businessmen. Money is sent to the dummy firm, deposited in a local bank that U.S. government auditors cannot penetrate, and "loaned" to a company owned by the dealers back in Florida. That company can engage in some legal business, pay its owner a salary—giving him a sizable means of support—and even take a tax deduction for interest payments on the "loan."

Newly tightened enforcement of bank reporting laws has made it vastly more difficult to send large sums anonymously from the U.S. to Colombia, yet the money still manages to get through. Every week a Colombian air force C-130 transport plane flies to Fort Lauderdale with wooden crates containing up to $10 million from Colombia's central bank. The surplus greenbacks are being legally returned by Bogotá to the Federal Reserve System in exchange for credit. ■

split with the younger ones, who tend to be less conservative and less committed to the homeland than their elders. While an older Cuban might listen for hours to a Spanish-language station blasting out anti-Castro messages, the younger one is more inclined to tune to a rock station.

The shocks of crime, drugs and cultural tensions have already spawned the beginnings of an Anglo exodus from Miami and its environs. Some 95% of election registrations now being canceled by citizens leaving the region come from white voters. Says Jeff Laner, 26, a native of Miami who moved this year to work as a stockbroker in Kansas City: "I was going to be damned if I had to learn a foreign language to get a job where I had lived all my life."

South Floridians dedicated to easing the strains within the region found little comfort in this month's mayoral election in Miami. The campaign managed to avoid nearly all the major issues and instead dwelt on which of the two major candidates was more Latin: Mayor Maurice Ferré, or Manolo Reboso, who took part in the Bay of Pigs invasion. Reboso courted the votes of Cubans, while Ferré made his strongest pitches to Anglos and blacks. The results of last week's runoff election show just how bitterly Miami is polarized. Reboso drew 70% of the Cuban vote, while Ferré attracted an astounding 95% of the black vote (the pair split the Anglo vote about evenly). The Anglos were so alienated by the race that only 38% of those eligible to vote bothered to do so, while 58% of the Latin voters and more than 50% of the blacks went to the polls. "We've become a boiling pot, not a melting pot," says Mayor Ferré. "The Anglos can't adapt. They can't take it, so they're moving."

South Floridians tend to compare their current woes to such earlier cataclysms as the 1926 hurricane that devastated Miami or the colossal land failures of the late 1920 that turned millionaires into paupers overnight. The region's present agonies, they argue, are due more to a random run of bad luck than anything that could have been prevented. "The people's attitude is, 'Damn it, I am down here to avoid problems, not have them,' " says Governor Bob Graham, a Dade County native. " 'Now I have them.' How do you deal with these issues in a political climate that demands instant gratification?" Says Dan Paul, one of Miami's most prominent attorneys: "There is no real interest here in preserving or creating a quality of life. I don't think there is any real community outrage about the drug trade. I push at the junior lawyers here to join civic groups instead of playing racquetball. They're not interested."

The region's political map seems almost giddily drawn to avoid grappling with any such problems. Community boundaries dart haphazardly: they were often drawn by developers who wanted to run their towns as well as build them. The 2,042-sq.-mi. area of Dade County, for example, is now governed by 27 separate and often rival municipal governments. Dade County attempted to draw some order out of its political chaos in 1959 by combining such common services as transportation and sewer systems. But the 27 towns still raise their own taxes, pass their own zoning ordinances and run their own fire and police departments. The result is that the region confronts major crises that could break the will of many communities, while being cursed with a political system that hardly functions well in the best of times.

Some steps are being taken: the Dade County public safety department is now beefing up its 1,726-member force with 1,000 new recruits (starting salary: $17,800). Another 100 U.S. Customs Service agents have been assigned to the region to chase down drug smugglers. South Florida can also look for help from Governor Graham. He is constantly lobbying Washington for more aid, and earlier this year he met with Baby Doc Duvalier in Haiti to discuss ways to staunch the flow of refugees. He lent 100 additional state troopers to Miami this year, and hopes to assign 115 troopers to Dade County permanently by the end of 1982.

Meanwhile, local officials are busily attempting to woo more companies to the region and to turn Miami into an international trading center. Rolls-Royce Inc. opened an aircraft engine part machining plant at Miami International Airport this year, and a number of electronics, pharmaceutical and medical-equipment companies are moving into the region. The Miami Free Zone, one of dozens of free-trade districts in the U.S. where imported goods can be stored and assembled without being subject to Customs duties, has handled over $326 million worth of goods this year, up from $171 million in 1980.

To celebrate its hopes and achievements, Miami is throwing itself a $5 million cultural party next June. Billed as the "New World Festival of the Arts," the extravaganza will feature 30 "world premieres" of operas, ballets and symphonies. Tennessee Williams, Edward Albee and Lanford Wilson have agreed to write plays for the occasion, and a new Miami ballet troupe will give its first performance.

But no one pretends that a cultural blitz will gloss over South Florida's woes. Its ultimate salvation rests in its citizens' ability to unite and face the problems they have managed to avoid so long. In the past, South Florida's people have never failed to rise to the challenges that have confronted them. "It's a magic place, it always snaps back," says Mitchell Wolfson, a prominent businessman and member of one of Miami's founding families. Says Historian Arva Parks: "We have overcome so much already in our history. We have never been one for small crises. This is one more thing to overcome."

GREENWALD—GAMMA LIAISON

An elderly couple strolls down a Miami street

"It's a magic place, it always snaps back."

On a warm evening, as the soft Caribbean breeze stirs the hibiscus blossoms and the peal of the surf can be heard faintly in the distance, it is difficult to dwell on South Florida's problems. "When I take visitors around in my boat at sunset, they are just awed," says Stephen Muss, whose family owns the Fontainebleau Hilton Hotel in Miami Beach. "Where else can we ride in an open boat in winter, looking at a skyline on the horizon, cruise ships slowly turning around in the harbor, jets passing overhead, with the day ending in full color in the blue water of our bay? This is just a sensational place to live."

One image from the travel brochure that still rings true, an apt metaphor for a region blessed by God and not yet ruined by man, is the sturdy mangrove. It is found nowhere in the U.S. but Florida. With its gnarled roots stretching down into salty water that would kill most other plants, the mangrove traps silt, shelters wildlife and otherwise improves whatever it touches. Through boom and bust, hurricanes and real estate development, the mangrove has stood its ground. South Floridians surely will too. —***By James Kelly. Reported by Bernard Diederich and William McWhirter/Miami***

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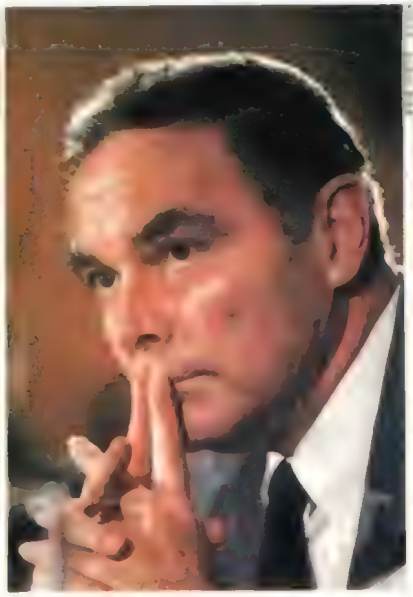
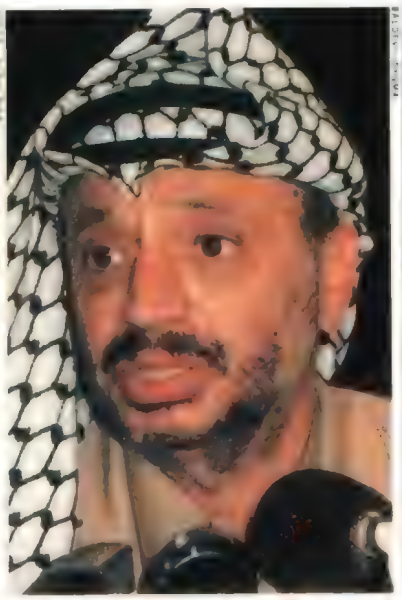
Israel's Sharon: talking belligerently



Secretary Haig: praising cautiously



P.L.O.'s Arafat: lobbying discreetly

MIDDLE EAST

New Search for Unity

The Arabs try to find a common approach to an accommodation with Israel

It was a timeless ritual of power and brotherhood. Dressed in the long, flowing *arbayas* of Bedouin chieftains, Saudi King Khalid, Crown Prince Fahd and Prince Abdullah sat in a sumptuous lounge at Riyadh International Airport last week and awaited their royal guests. One by one, special jetliners landed, carrying the rulers of the five Persian Gulf nations that, along with Saudi Arabia, constitute the Gulf Cooperation Council (G.C.C.).* Fahd and Abdullah emerged onto the shimmering tarmac to greet each arriving sheik and sultan, then escorted him in to meet the King. While white-robed Saudi national guardsmen, armed with machine guns and golden daggers, looked on, the rulers exchanged embraces and sipped cups of hot, aromatic coffee before being whisked off by limousines to their luxurious suites at the Nasseryah Conference Palace.

The two-day convocation in the Saudi capital, the second meeting of the six-month-old G.C.C., may well be remembered as one of the key sessions in recent years dealing with the complex and convoluted Middle East. The six rulers, whose combined oil reserves represent about one-third of the world's total, took the first steps toward playing a role in international diplomacy commensurate with their financial power. Their decisions included final approval of a far-reaching economic treaty that could turn the organization into a Gulf States common market, and agreement to set common regional defense priorities. But by far their most dramatic step was to endorse a Middle East peace plan that was getting increasing backing in Europe and the Arab world as an alternative approach to the flagging Camp David talks for working out a settlement of the Arab-Israeli conflict.

First suggested by Crown Prince Fahd last August, the proposal reiterates Arab demands for a Palestinian state but implies Arab recognition of Israel's right to exist (*see box*). The Gulf States' endorsement could be the first step toward transforming the Fahd proposal into a pan-Arab peace plan, provided the Saudis can win approval for it at the 23-nation Arab League summit in Fez, Morocco, on Nov. 25. If the league, which includes the Palestine Liberation Organization, endorses the Fahd plan, the step would be the most important in Arab summitry since the Rabat meeting in 1974 that recognized the P.L.O. as the sole legitimate representative of the Palestinian people.

But the Saudis, who were touring Arab capitals last week drumming up support for their plan, had some opposition. The Libyans were working just as vigorously against the plan among their allies, including radical P.L.O. groups. Syria, Algeria and South Yemen, which at this point are not prepared to recognize Israel's right to exist at all. As the Fez summit approached, the future of the Saudi plan depended on two key questions: 1) Would the Libyans draw the other Arab hard-line states into intractable opposition? 2) Would the P.L.O. endorse the proposal?

P.L.O. Leader Yasser Arafat, who has called the Fahd plan "a good beginning," although he has not backed it, was lobbying discreetly to put the proposal on the Fez agenda. But he faced strong opposition from radicals within his own ranks.

Arafat's room to maneuver was also cramped by his dependence on Syria, which helps sustain the P.L.O. as a military force. Syrian Prime Minister Abdul-Rauf Kassem has criticized the Fahd plan as "ineffective." But Foreign Minister Abdul Halim Khaddam is known to favor it, and President Hafez Assad has yet to be convinced. Should the Syrians and the P.L.O. finally side with the Saudis, other intransigent states like Algeria would probably go along, leaving Libya the main opposition to the plan.

One way for the Saudis to win over the Syrians and some of the other hard-liners would be to buy their support with promises of massive foreign aid. Another possible way to silence radical opposition would be to secure the endorsement of

*Bahrain, Kuwait, Oman, Qatar, United Arab Emirates

Moscow, perhaps by holding out the hope of returning the peace process to the long-suspended Geneva Conference that the Soviets chaired in tandem with the U.S. That appeared to have been the aim of Saudi Foreign Minister Prince Saud al Faisal, who recently spoke approvingly of a possible Soviet peace role in the future.

The prospect of bringing the Soviets back into the Middle East picture was just one of the problems that the Saudi campaign, for all of its hopeful aspects, posed to U.S. policymakers. If the Fahd plan is approved at the Fez summit, Washington would come under increasing pressure from its own Western allies to deal with the P.L.O. in spite of Israeli protests. Said one senior State Department official: "It will mean a new ball game in the Middle East. People will say, 'The P.L.O. has finally done what the Americans have wanted it to do. It has accepted Israel's right to exist, so there should be some movement toward the P.L.O.' That's certainly what the Europeans will be telling us to do."

Although the Reagan Administration remains committed to the Camp David process as the best means of working out a settlement in the Middle East, U.S. officials regard the Fahd plan as a possible starting point for new negotiations if there is a hopeless deadlock in talks between the Israelis and the Egyptians. Then, too, the Administration wants to encourage the Saudis in general to use their power to work for moderation in the region. Thus Reagan last week gingerly praised the Fahd plan, calling it a "hopeful sign" and one that indicated the willingness to negotiate." Secretary of State Alexander Haig also had cautious words of praise for the Saudi initiative.

Faced with this growing discussion about the Saudi proposal, the Israelis reacted swiftly and strongly. At a Tel Aviv press conference Israeli Defense Minister Ariel Sharon blasted both the plan and its authors. "It's very hard to sell the Saudis to us," he said sarcastically. "They are the biggest supporters of the terrorists, after the Soviets." He added a warning that "Israel will treat the Saudis exactly as we treat every confrontation state." Only a few hours earlier, Israeli air force jets had made Sharon's point in a different fashion. They carried out a highly visible reconnaissance sortie over Tabuk, a major Saudi airbase 125 miles from Israel.

At midweek the Israeli position seemed to soften. Emerging from a 90-min. meeting with Secretary of State Haig, Moshe Arens, leader of a parliamentary delegation sent to Washington by Prime Minister Menachem Begin to talk about rising Israeli concerns, had some unexpectedly encouraging words about the Fahd plan. Arens declared that the Saudis had gone "a little way beyond the kind of statements they have made in the past." Coming from an Israeli hard-liner, a close Begin associate and Israel's next Ambassador to Washington, that remark stirred speculation that the Israelis might consider at least some of the Saudi points to be

Anatomy of a Peace Plan

In essence, the Fahd plan does not differ basically from the general position that the moderate Arab states have maintained since the Rabat summit in 1974. The eight-point proposal contains some elements that clearly are acceptable to all sides, some that appear negotiable and others that now seem to defy all efforts at compromise. The points and the problems they pose:

▸ Israel's withdrawal from all Arab territories that it occupied after the 1967 war. This territory includes the Gaza Strip, the Golan Heights and, most important, the West Bank of the Jordan River and East Jerusalem, which the Palestinians claim as their own. The Israelis have said that they would give up some of the land if they could be assured defensible borders, but they are adamant about retaining all of Jerusalem. The hard-line Palestinians claim that they would not relinquish a square inch to the Israelis. But there is room for discussion on this point.

▸ The dissolution of Israel's settlements on land occupied since 1967. The Arabs claim they will not compromise on this issue: the communities must go. The Israelis argue that the settlements are necessary for the security of their eastern border. They also stress that this is the biblical land of Israel and that Jews therefore have an ancient and inalienable right to settle there.

▸ Guaranteed freedom of worship in all holy places. This has never been a problem in the past and is not one now.

▸ The right of Palestinians to return to their homeland, with compensation for those who choose not to. The question is: the right to return to what? If the principle is meant to apply to all of the former mandate of Palestine, Israel could not possibly accept the proposal, since it would involve much of Israel's present territory. If the right of return is limited to the West Bank, however, the point might be negotiable. As for compensation, the Israelis would not pay it, but the wealthy gulf states might if they wanted the plan to work.

▸ United Nations supervision of the West Bank and Gaza Strip during a transitional period. The Palestinians favor this principle. The Israelis would agree to a transition period, but not under the U.N. Prime Minister Menachem Begin's government feels that the U.N. would be controlled by an anti-Israeli bloc.

▸ The establishment of a Palestinian state with East Jerusalem as its capital. This is the crux, and the main sticking point, of the whole plan. The Israelis reject the notion of an independent Palestinian state out of hand. The Palestinians insist on statehood as the *sine qua non* of any peace agreement. One possible compromise: the P.L.O. might conceivably accept an entity in confederation with Jordan in order to get around Israeli objections, but only after receiving solid assurances of full and independent statehood in the future.

PHILIPPOT—SYGMA

Crown Prince Fahd

▸ Right of all states in the region to live in peace. President Reagan and others have stressed that this implies recognition of Israel's existence, something that no Arab country apart from Egypt has ever granted. The Israelis endorse peaceful coexistence, but they insist that the state of Israel must be mentioned by name in any declaration of that principle. On the Arab side, only the Libyans and the P.L.O. hard-liners reject the notion of peaceful coexistence with Israel.

▸ All these principles to be guaranteed by the U.N. or some of its member states. If agreement could be reached on all other points, this one would pose no particular difficulties for either side.

Whatever its specific merits or flaws, the Fahd plan is the first Arab attempt to reach a comprehensive settlement with Israel. Amid the chorus of Israeli denunciations of the proposals, at least a few figures seemed to grasp the significance of that point. One of them, Professor Mordechai Abir of Hebrew University, stated last week that the plan "could develop into something very interesting." But he quickly added, "I am very much alone among my colleagues. Most of them are looking into the past."

negotiable. But after talking by phone with Begin, Arens in effect repudiated his statement and said that "basically it's a plan for the dismemberment of Israel."

As they denounced the Saudi plan, the Israelis were sending out encouraging signals about their desire for progress on Camp David's more limited approach to the Palestinian problem: the Israeli-Egyptian talks on autonomy arrangements for the 1.3 million Palestinians living in the occupied West Bank and Gaza. Apparently hoping for a definite breakthrough in the sluggish talks, Begin dispatched to Cairo his four most senior Cabinet members, whom he empowered to make decisions on the spot.

Begin, who has long worried about the viability of the Camp David process once the Israeli withdrawal from Sinai is completed next April, feels that the peace would be more durable if a settlement could be reached before then. Furthermore, there is growing concern in Jerusalem that Washington is becoming disenchanted with the slow pace of the autonomy talks and might abandon the Camp David approach in favor of the Fahd plan or some other alternative.

But for all the professed Israeli eagerness to reach a settlement, the two-day session at Cairo's elegant old Mena House hotel brought no tangible progress. Along with U.S. Ambassador to Egypt Alfred Atherton and Ambassador to Israel Samuel Lewis, the participants dutifully avowed their "dedication to the Camp David framework" in their closing statement. Still, Egypt and Israel remained as far apart as ever on the issue that has bedeviled the talks from the beginning: the size, scope and powers of the Palestinian body that is to govern the occupied territories once they become autonomous. The Israelis conceive of that body as a small council, with limited administrative powers and no legislative authority. The Egyptians want an assembly of 70 or more elected members that could become the legislature of a Palestinian state.

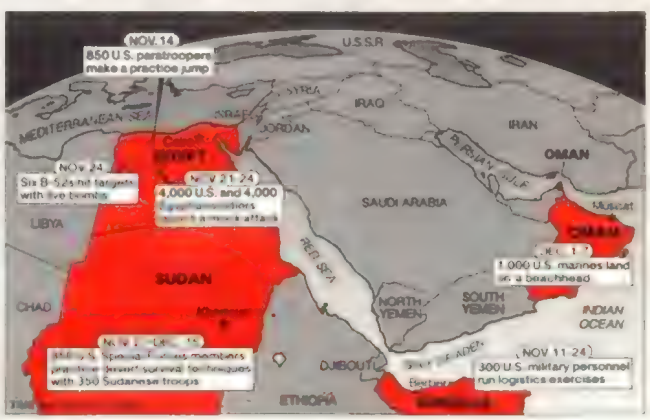
Meanwhile, the Israelis last week revived a dormant but still explosive issue. Israeli Defense Minister Sharon charged that P.L.O. units in southern Lebanon were rapidly building up their artillery and rocket arsenals in defiance of a July cease-fire agreement. He also complained of the continuing presence there of Syrian antiaircraft missiles. Accusing the U.S. and Europe of ignoring the problem while they flirted with the Fahd plan, Sharon warned that if "political means" failed to get results, "Israel will have to act." As the search for peace continued, so did the threat of war. —*By Thomas A. Sancton. Reported by David Aikman/Cairo and William Stewart/Riyadh*

U.S. Muscle-Flexing

While diplomats debated the Fahd peace plan throughout the Middle East, and Arab gulf state potentates met in Riyadh to discuss security arrangements, the U.S. was taking action of quite a different kind last week to buttress the region. The effort involved a long-planned sequence of military exercises in four friendly countries—Egypt, Sudan, Somalia and Oman—occurring over a month's time and involving some 6,000 U.S. personnel. Code-named Bright Star '82, the maneuvers are the biggest trial run yet for the still nebulous U.S. Rapid Deployment Force, which is eventually supposed to have 200,000 troops at the ready to be launched on 48 hours' notice in defense of the strategic Persian Gulf.

Bright Star began impressively. Some 500 U.S. military vehicles, ranging from trucks to armored personnel carriers to self-propelled howitzers and 155-mm field guns, rumbled off U.S. Navy transport ships in Alexandria. Waves of C-5A, C-141 and C-130 transports touched down at Cairo West Air Base, ferrying in supplies, equipment and 4,000 U.S. military personnel wearing newly designed desert camouflage fatigues.

At week's end, 850 members of the 82nd Airborne Division parachuted into the Egyptian desert near Cairo West in a mock assault. In subsequent days and weeks, across the expanse of northeast Africa, other exercises will range from the field testing of water purification systems to full-scale U.S.-Egyptian army exercises. The most spectacular event will occur on Nov. 24, when six B-52 bombers, flying from North Dakota bases and refueled three times in mid-air, will skim across the Egyptian desert at an altitude of a few hundred feet and drop live bombs *(see map)*, a feat that will not necessarily inspire worldwide awe.

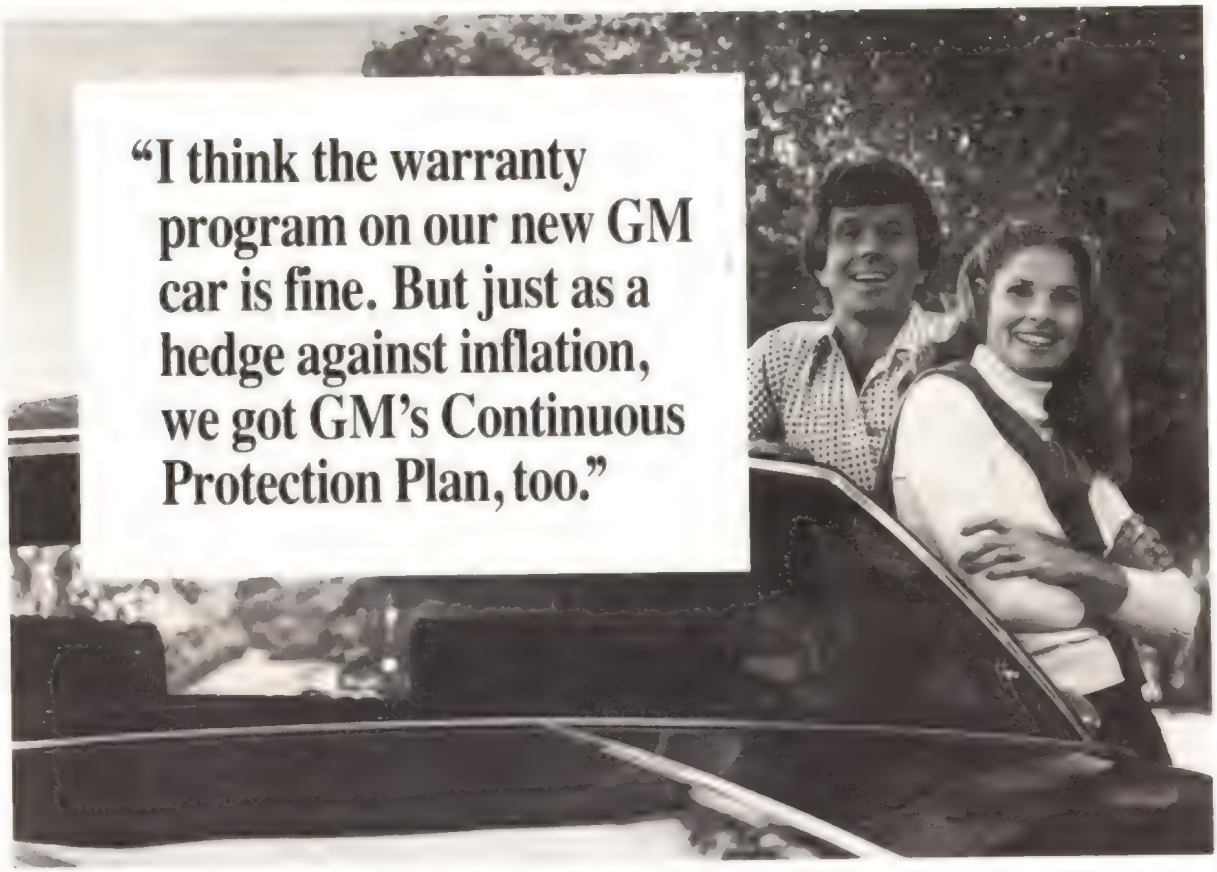


Bright Star stems from the pledges by Presidents Jimmy Carter and Ronald Reagan to oppose Soviet intervention in the Persian Gulf area. But the exercises are only a short step toward that goal. The U.S. still lacks the power to act decisively in the region. The Rapid Deployment Force consists mainly of 56,000 troops borrowed from Fort Bragg's 18th Airborne Corps, and the Pentagon has neither the ships nor the planes to get them into action swiftly.

The Administration had other worries last week about Bright Star: fears that the U.S. would be charged with heavy-handed intervention in the Middle East during a time of uncertainty. For that reason, the Pentagon tried to play down the importance of the maneuvers. Said a spokesman: "It is a normal exercise, long planned." Although they view the U.S. as the ultimate protector of their oil wells, most of the moderate gulf states were concerned that the military maneuver would be exploited by Arab radicals to increase political instability. The states also viewed the maneuvers as an escalation of superpower involvement in the region, one that could trigger a Soviet response. Oman did agree to take part in the exercise, but only after asking that the U.S. Marine operations be scaled down from 2,000 troops to 1,000.

Predictably, the radical Arab states attacked Bright Star. Syria charged that the Arab regimes cooperating with the maneuvers were "agents of imperialism." Palestine Liberation Organization Leader Yasser Arafat called the maneuvers part of an American-Zionist plot against the Arabs. Libya's Colonel Muammar Gaddafi charged that Bright Star could be expanded into an invasion of Libya.

But the man in the middle, Egyptian President Hosni Mubarak, whose nation is most closely involved in the Bright Star operations, remained convinced that the maneuver was warranted and necessary to aid the development of the Rapid Deployment Force, which he feels will help Muslim countries resist aggression.



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FRANCE

The Gaddafi Issue Grows

An assassination try in Paris—and a counterplot

The day began normally enough. At about 8:50, Christian Chapman, 60, left his apartment in the fashionable Seventh Arrondissement in Paris and turned toward his metallic-blue 1978 Plymouth, where his chauffeur was waiting, engine idling, to drive him to his post as the chargé d'affaires in the U.S. embassy on the Place de la Concorde. Almost immediately, Chapman became aware of a bearded, athletic-looking young man in a black leather jacket who was approaching down the sidewalk. But Chapman sensed no danger until the man thrust his hand into his jacket and started after him. Chapman dodged around his car and ducked for cover as seven shots rang out. Two 7.65-cal. bullets from the gunman's semiautomatic Beretta pistol slammed into the right rear fender of the car, and another hit the right rear side, but Chapman and his driver escaped unhurt.

The veteran diplomat, who holds the second-ranking post in the U.S. embassy, carefully refrained from speculating about who was responsible for the attack, but he did say that his attacker seemed to be a "Middle Eastern type." Later that day Secretary of State Alexander Haig strongly suggested that the man behind the attack was Muammar Gaddafi, the Libyan strongman and exporter of terrorism. Said Haig: "We do have repeated reports coming to us from reliable sources that Mr. Gaddafi has been funding, sponsoring, training, harboring terrorist groups who conduct activities against the lives of American diplomats." Haig had "no other information" directly linking the attempt on Chapman's life to Gaddafi, but added: "I think it underlines once again the urgency of dealing with this problem [Gaddafi] in an effective, prudent, but unequivocal way."

The Libyan government promptly dismissed Haig's charges as "insolent in the extreme." But French government sources said that Chapman had recently received a number of threats, some of which had been traced to Libya. In Rome, a U.S. embassy official said there was some evidence that Gaddafi was planning to go after American personnel. Indeed, U.S. security agents learned last September of a Gaddafi plot to kill Maxwell Rabb, the U.S. Ambassador to Italy. Rabb was given special protection. One reason he was suddenly summoned home to Washington last month was to preserve his safety. In early October, a group of between five and ten Libyans was rounded up in Rome and sent back to Tripoli. Since then, unconfirmed reports have circulated in Paris that Gaddafi was planning assaults on other selected U.S. embassies and personnel in Europe in retaliation for the U.S. downing two Libyan fighters in the Gulf of Sidra last summer.

While Gaddafi was purportedly planning assassinations, others were planning to kill him. According to TIME sources in Washington, a high-ranking French official brought an assassination plan to the Reagan Administration last February. The official was present at a White House meeting chaired by Richard Allen, the National Security Adviser, and attended by, among others, the State Department's Nicholas Veliotes, Assistant Secretary for Near Eastern and South Asian Affairs, and Chester Crocker, Assistant Secretary for African Affairs. According to TIME's sources, the French official proposed that the killing be done by a group of Libyan exiles, trained and controlled by the French. The U.S. would not be directly involved. The official did, however, ask for a general expression of Administration support for the venture and assistance in the aftermath of the coup. Specifically, he wanted the U.S. to give quick diplomatic recognition to Gaddafi's successor. He also sought assurances that the U.S. would be prepared to interdict Libyan harbors and airfields in the event of a move by Moscow on Libya to protect the vast supply of Soviet weapons in the country.

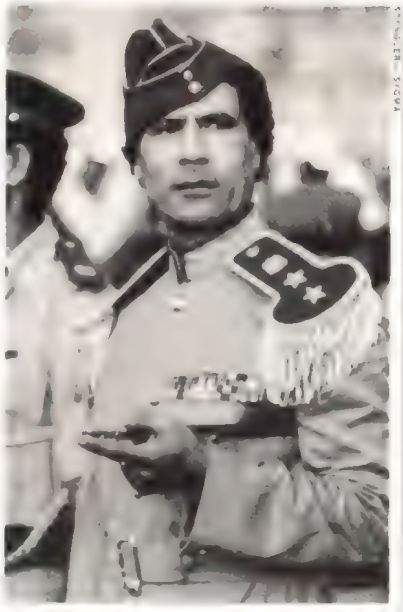
Chapman shows how he avoided the assassin's gunfire

The scheme, the official explained, would have to await the anticipated re-election of French President Valéry Giscard d'Estaing, in May, but he suggested that the planning begin. The meeting broke up with no decision being made. Still, U.S. officials agreed to keep the talks going. The venture came to an abrupt halt when Giscard was unexpectedly defeated at the polls by Socialist François Mitterrand.

Officials of the Mitterrand government insisted last week that they had never heard of any proposal to kill Gaddafi. French sources acknowledge that there were discussions on the intelligence agency level, but say that the plan was never adopted. The French official has disavowed any role in such a plot.

Both Veliotes and Crocker deny that the official made any formal proposal of covert action during their meeting with him, although they admit the discussion did involve Libya. Edwin Meese, counsellor to the President, would neither confirm nor deny there was a plan. Said he: "It would be totally inappropriate for me to comment." Declared State Department Spokesman Dean Fischer: "There was no discussion of a covert plot to overthrow Gaddafi, and the French official made no request for logistical or diplomatic assistance from the U.S."

Reagan Administration officials, however, have on numerous occasions said, as Haig did last week, that "dealing with" Gaddafi is an urgent priority. They have made it clear in the past that they would not be outraged at the prospect of another country's forcibly removing the Libyan dictator. ■



Libyan Strongman Gaddafi
Funding and training terrorist groups

Delegation laying a wreath and flowers at the Tomb of the Unknown Soldier in Warsaw

POLAND

Reclaiming a Proud Past

The government resurrects Independence Day and an old hero

As the first snow of winter fell on Warsaw last week, the honor guard stepped smartly up to Poland's Tomb of the Unknown Soldier. A crowd of 2,000, including a row of officials, watched in respectful silence as President Henryk Jablonski solemnly placed a wreath at the base of the granite monument. In hundreds of towns and cities throughout the Western world, Armistice Day is observed in much the same fashion. But the Polish ceremony marked a significant break with the Communist past, a symbol of rising patriotism that was finally acknowledged by the government, despite the possibility of a hostile reaction by the Soviet Union.

The modern state of Poland was born on Nov. 11, 1918, the day the country regained its liberty after 123 years of partition among Prussia, Russia and Austria. Until World War II the date was traditionally celebrated as Independence Day. After the war, however, the Communists ignored the anniversary, observing instead Nov. 7, the anniversary of the 1917 Bolshevik Revolution. In recent years the government has interfered with attempts to commemorate Nov. 11.

But the government not only tolerated last week's ceremony, it joined in. Moreover, the regime later allowed a procession of 20,000 Poles, led by boy scouts, to wend their way through the city from the Cathedral of St. John to the Tomb of the Unknown Soldier. One of the speakers was applauded when he declared: "A revolution has been going on in Poland for a year. It must continue to be a revolution without revolution, without confrontation, without bloodshed. But Poland must become an independent state."

A related and perhaps even more astonishing event has been the resurrection of a legendary patriotic figure after decades of official oblivion: Marshal Jozef Pilsudski, the military hero who was a bitter foe of the Soviet Union and the person the Poles consider the father of their modern country. As chief of state in 1920, Pilsudski repulsed a Soviet invasion by routing the advancing Red Army at the Battle of Warsaw.

Communists have long derided Pilsudski as a "bourgeois dictator" and an "agent of the Western powers." Although he ran a tough military government from 1926 to 1935, when he died, Pilsudski remained a symbol of proud Polish nationalism. Poles were galvanized last week as the state-owned television suddenly broadcast flickering newsreels of the Marshal and played the marching songs so closely associated with his career.

Marshal Pilsudski (1935)

The re-emergence of Pilsudski and the revival of Polish Independence Day seem to reflect a desire by the beleaguered government of Premier Wojciech Jaruzelski to seek more popular backing by displaying an independence, if only symbolic, from the Soviet Union. The government did not even object last week when the Solidarity trade union named a shipyard in Gdansk after Pilsudski. The irony was palpable: Solidarity had been founded in another shipyard not far away, one that was named for Vladimir Lenin, the father of the Soviet state and a bitter enemy of Jozef Pilsudski.

At the dedication ceremony, a union leader told a cheering crowd: "The nation that loses its culture and history yields to the pressure of other nations." Last week, Poles were clearly using the past to fortify themselves in a shaky and uncertain present. ■

SOUTH AFRICA

Hard Line

Botha reaffirms apartheid

The host of dignitaries gathered last week in the main auditorium of Cape Town's spanking new civic center resembled nothing so much as a formal group portrait of South Africa's white-dominated power structure. On the dais, seated beneath half a dozen orange, white and blue national flags, were some 50 Cabinet members and senior officials of Prime Minister Pieter W. Botha's National Party government. Facing them were some 600 businessmen, industrialists, financiers and community leaders.

The keynote speaker was Prime Minister Botha himself, delivering what amounted to an extraordinary State of the Nation address. But what Botha had to say was far from what the assembled magnates wanted to hear: his government would not change the segregationist policies that have made South Africa an international pariah and that, many businessmen fear, are turning the country into a powder keg.

At a similar gathering two years ago, Botha had boosted the hopes of reform-minded businessmen with an outline of policies to ease the oppression of the country's 19.8 million blacks, who make up 71.5% of the population. Botha's program, which began well enough with recognition of black and mixed-race trade unions, has now stalled under pressure from his party's hard-line racist right wing.

Speaker after speaker rose from the audience last week to warn that the slow pace of the Prime Minister's program was endangering his goal of increasing economic prosperity because it was angering the blacks, who form 80% of the nation's work force. Said Industrialist Michael Rosholt, head of the giant Barlow Rand mining and manufacturing conglomerate: "A man can only be enterprising when he is free." Anton Rupert, head of Rothmans International Ltd. tobacco empire, described Botha's progress as "a shower of rain" that has dwindled to a few drops.

Specifically, the businessmen wanted blacks to get better housing and more sophisticated education, particularly in the technical field, where they are still refused entry into half-empty colleges. The nation badly needs skilled black workers. Liberal Industrialist Harry Oppenheimer warned that unless further changes are made, South Africa's 9 million urban blacks would use their growing trade union power "for political purposes, with gravely disruptive effects on the whole economy."

The businessmen got little satisfaction from Botha, who declared the meeting a success and said that he was "going home a happy man." That may be so, but the problems Botha seems so blithely ready to ignore can only grow bigger, and that raises the prospect of more unhappiness for South Africa in the future. ■

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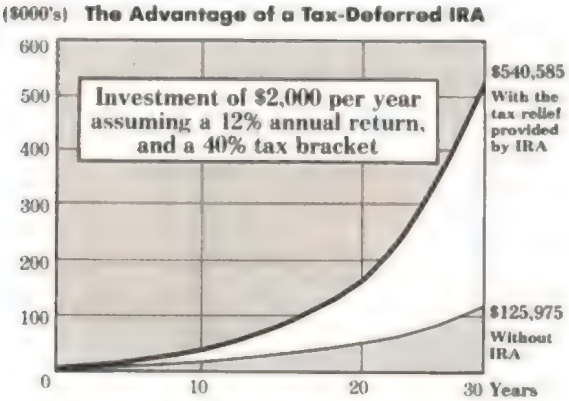

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IRAN

Big Brother Moves In

Soviets are influencing security, military and economic affairs

On a cold, starlit night last month a group of 36 strangers was ushered into the Tehran Hilton with all the security precautions that once attended the transfer of the Iranian crown jewels. While plainclothesmen and a detachment of Islamic Guards armed with machine guns hustled the group through the lobby, hotel staffers were amazed to hear the foreigners address one another, and their Iranian hosts, as *baradar* (brother), in the best tradition of Islamic revolutionaries, while they chatted in flawless, idiomatic Farsi.

The group was no delegation of politicians from a friendly Muslim country. TIME has learned that it was a team of highly professional, meticulously schooled intelligence agents from the Soviet Union invited to Iran by the ruling Islamic Republic Party (I.R.P.). The agents were the first among several KGB and other Soviet advisory missions that have arrived in Iran since mid-October to help the government of Ayatullah Ruhollah Khomeini create an efficient intelligence and security force and strengthen the Islamic Guards, the clergy's private army.

After more than 2½ years of courting Khomeini, often at the cost of snubs and loss of face, the Soviets could be gaining the bridgehead in Iran that they have coveted for decades. The goal of the Soviets is to establish themselves so firmly that they can exercise a decisive influence on Iranian foreign policy or, in the case of a future political explosion in the country, install a puppet regime.

The decision to enlist the Soviets for help was a wrenching turn for the Islamic fundamentalists who run the ruling I.R.P. The party's strict religious orientation requires its leaders to denounce atheist Communism. But the I.R.P. felt forced to act when it was unable to organize an efficient intelligence and security organization to cope with last summer's spectacular wave of assassinations of government leaders. The campaign was conducted by the Mujahedin-e Khalq (People's Crusaders), urban guerrillas who had penetrated virtually every government institution. The small Tudeh Communist Party in Iran convinced the leaders of the I.R.P. that it should turn to the Kremlin for aid against the Mujahedin, whom it called "CIA-backed leftists."

Moscow was quick to respond with an offer to supply the knowledge that it has acquired in over 60 years of maintaining one of the world's most effective secret police systems. The Soviet agents soon had to use their skills. No sooner had they settled into the Hilton than they routinely set about checking out the rooms for electronic listening bugs. They found instead a huge time bomb, planted by persons unknown, which they managed to defuse just before zero hour. After some understandably excited exchanges with their Iranian hosts, the newcomers packed up their gear and departed for presumably safer quarters.

The Soviets have purged the central committee of the Tudeh of what they call "bourgeois-minded reformists" and put in their own people. The security agents have set up shop in Saltanatabad, a northern suburb of Tehran, in the former headquarters of SAVAK, the notorious secret police of Shah Mohammed Reza Pahlavi. Recruits for the new revolutionary secret service include some Islamic Guards, the better members of an inefficient secret service created after the fall of the Shah, and former SAVAK agents who have lost none of their taste for brutality and their skill at torture. Their Soviet teachers, who are evidently members of Central Asian minorities who speak languages related to Farsi, behave like true Muslim believers. "We are Muslim brothers and must help one another," is the KGB line in the Saltanatabad spy school. The Soviet instructors even pray with their students, while ostentatiously riffling through their traditional Muslim prayer beads.

ILLUSTRATION FOR TIME BY EUGENE MIHAESCO

Rivalry between the Islamic Guards, the clergy's military arm, and the regular armed forces gave Moscow another valuable opportunity to exploit Iran's increasingly unstable situation. Fear of a strong opposition and disloyalty in the armed services has led such clergymen as Hojjatoleslam Ashgar Mousavi Khoeiny, the deputy speaker of the Majlis (parliament), to endorse Soviet offers to reinforce the military effectiveness of the Islamic Guards. Thus, for the first time, the Soviet Union has introduced its weapons into revolutionary Iran. Soviet advisers, forming the nucleus of a military mission, have begun teaching Islamic Guards and some strongly pro-Khomeini groups how to use heavy Soviet weaponry, including Katyusha rocket launchers.

Still another team of Soviet advisers is trying to help the Khomeini regime escape economic disaster. Working with a group of East Germans, the Soviets are hoping to salvage hundreds of factories that are scarcely functioning because of poor maintenance, labor chaos and the flight of manpower abroad. Ironically, the Soviet specialists are striving to improve the distribution of consumer goods, one of the weakest links in the Soviets' own economy. Still, the experts from Moscow have accumulated a great deal of experience in rationing food and other essential goods. Iranians, who are suffering from chronic shortages of meat, eggs, cereals, kerosene and gasoline, recently received detailed questionnaires about their needs that were direct translations of those used in the U.S.S.R.

In what is evidently a coordinated effort to court the Islamic leadership, Cuba has dispatched Foreign Minister Isidoro Malmierca Peoli to Iran eight times since the fall of the Shah. In addition, more than two dozen visits have been exchanged between Khomeini aides and high-level Cuban officials. An Iranian parliamentary delegation attended a large meeting in Havana in September with top Cuban leaders, including Fidel Castro. One delegate later told the Iranian parliament how Castro had praised Khomeini and his "anti-imperialist struggle." The Cubans reportedly urged Iran to open an embassy in Havana.

Of all the problems plaguing Iran, Sadegh Ghotbzadeh, Khomeini's former foreign minister, worries most about the "Red threat" to his country. Ghotbzadeh, who is living in seclusion in Iran, says of the Soviet Union: "God knows, it is up to no good." —***By Patricia Blake. Reported by Raji Samghabadi/New York***

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Wherever he rode, as scout or showman, he was always out front, bigger than life, leading his comrades, showing the way. To audiences accustomed to seeing blacks as slaves, women as weak, Indians as inferiors, he showed a black cowboy as a star performer, a woman as a sharpshooter, and Indians as the equals in skill, daring and dignity of the finest horsemen in the world. He wanted to give us lessons in history, and he gave us lessons in humanity.

That's one reason we sponsored this exhibition and why we hope you can see it at the times and places listed below. In our business as in yours, we need to be reminded that whatever we achieve, it will always be achieved through individual initiative, individual imagination, individual innovativeness. Sponsorship of art that reminds us of this is not patronage. It's a business and human necessity.

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Buffalo Bill and the Wild West" appears at the Brooklyn Museum, Brooklyn, NY, November 21, 1981 to January 17, 1982. Museum of Art, Carnegie Institute, Pittsburgh, PA, February 13 to April 11, 1982. The exhibition is sponsored by Philip Morris Incorporated and The Seven-Up Company

(top left) Frederic Remington INDIAN CAMP ON CHEYENNE RIVER (bottom left) Thomas Mickell Burnham THE LEWIS AND CLARK EXPEDITION (top center) THE FAREWELL SHOT (top right) MISS ANNIE OAKLEY THE PEERLESS SHOT (bottom right) Rosa Bonheur COL. WILLIAM F. CODY All material shown courtesy of Buffalo Bill Historical Center, Cody, WY © Philip Morris Inc. 1981

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CHINA

Revolution Down on the Farm

Incomes grow as free enterprise replaces the communes

"Eating out of one big pot" was the way the Peking leadership once described China's vast system of collectivized agriculture, in which peasants, grouped together in 52,000 sprawling communes, had to share their earnings more or less equally. In the past three years Peking has taken a great leap sideways from the collective idea. Applying what it calls the "responsibility system," the government is returning much of the country's farming to individual households. The new system is gradually changing the lives of China's 800 million rural residents. The report of TIME *Peking Bureau Chief Richard Bernstein:*

The 62 families that make up the village-size Jun Tan Production Brigade, only a few miles from the lordly Yangtze River in Anhui province, have made some coveted purchases recently: 44 radios, eleven sewing machines, five bicycles, 47 wristwatches and 17 wall clocks. In the affluent West, that might appear unremarkable; in China it is a veritable cornucopia of consumerism. Every family in the brigade possesses an alarm clock, 90% of the families have savings accounts. In the past two years 24 households have built solid brick and tile houses to replace their old mud-and-thatch homes, compared with the 28 years before, when only seven such houses were constructed. "All the peasants feel happy," says Chen Quanchun, 37, the brigade's leader. "They work twice as hard as they used to because they know that if they work harder, they can make more money."

The relatively well-off Jun Tan brigade is doing far better than the average Chinese rural village. Its per person annual revenue of $201 is well above the national rural average of only $91, and with good reason. Jun Tan's income has doubled since the brigade started practicing two years ago the responsibility system, the basic principle of which is pragmatic: produce more, keep more for yourself.

Until the policy began to be gradually introduced, all Chinese peasants were grouped into production teams that worked the land in common. Each laborer earned work points, which were exchanged for a ration of grain and a small cash stipend. But in Jun Tan, as in an estimated 40% of China's villages, work points have now been abolished. Instead, each family has been allocated a plot of land to farm as it sees fit. The peasant gets seed and fertilizer free the first year; the second year the farmer uses his own money, or borrows it at a low interest rate. Each year he signs a four-page contract that obligates him to turn a fixed amount of his produce over to the state; the amount is set low enough to enable the peasant to exceed his quota if conditions are normal. Anything he can produce above his quota he keeps for himself, sells to the state, or carries to one of the 37,000 free markets that have proliferated across China since they were made legal in 1978.

Peking claims that the new system has helped increase the production of China's farms, particularly those that raise the key crop of cotton. Ironically, the new system has also created a new problem simply because it is more efficient. Workers who are no longer needed on the farms have added to the country's already grave unemployment rate, which is estimated at 30%.

Anticipating charges that they have abandoned collectivization, one of the basic tenets of Communism, Chinese agricultural officials hastily explain that the responsibility system is not really a departure from collective agriculture because the state-owned land cannot be bought or sold by the farmers. Still, China's bold new experiment is the closest thing to rural private enterprise in the Communist world, outside of Poland and Yugoslavia.

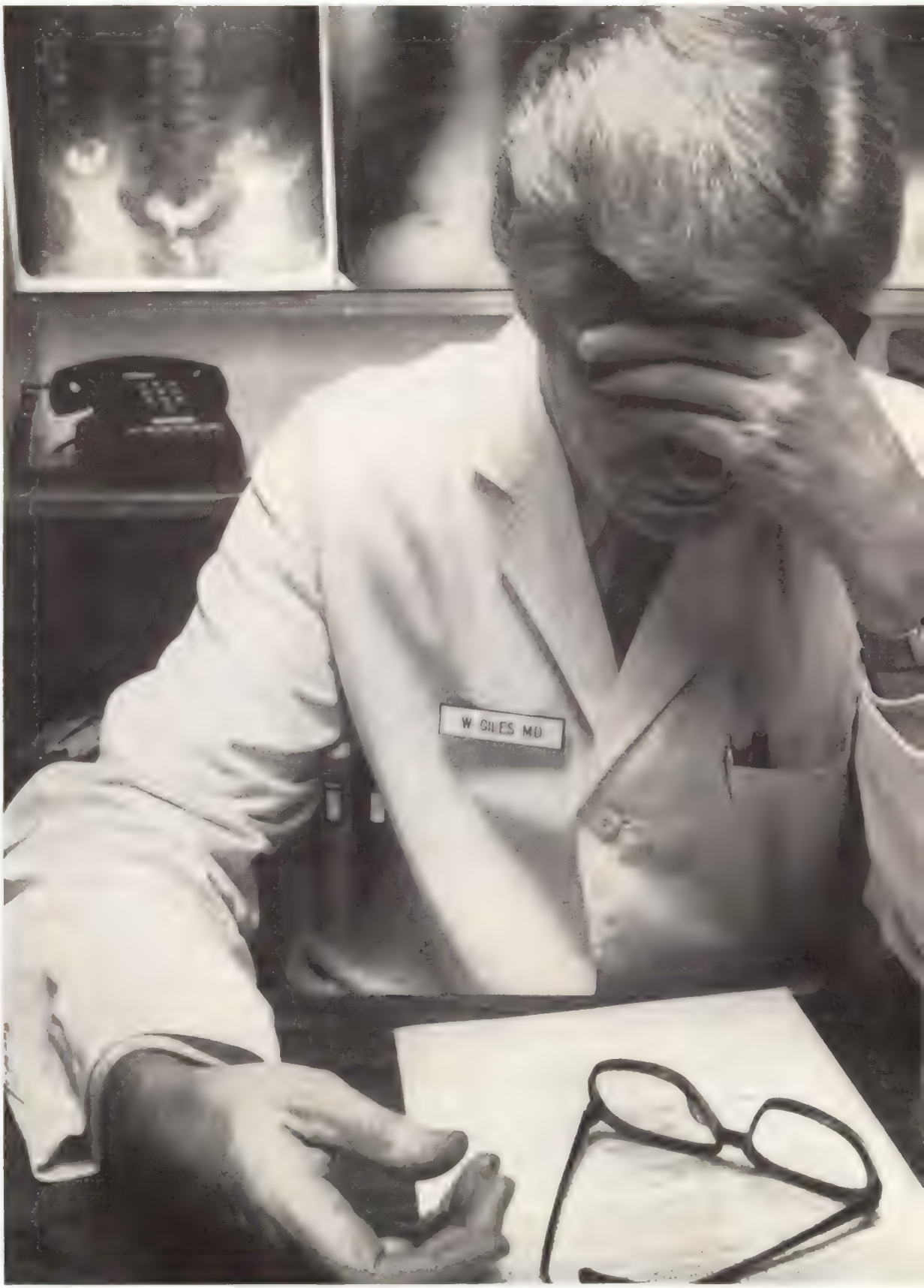
The responsibility system is a triumph for material incentives. Only a few years ago, even raising chickens or pigs privately was ruthlessly condemned as an example of "taking the capitalist road." Today families can decide for themselves how best to farm their land, and some family members have been freed for other cash-producing activities. In the Jun Tan brigade Carpenter Liu Zhangying, 34, receives $212 a year building furniture. He explains: "Before, I had to hand over more than half of my carpentry income in order to get the work points I needed for my grain ration. Now I get to keep everything I earn as a carpenter." By combining farming on one acre of land with carpentry, Liu and his family are now making almost $1,200 a year, an astronomical figure by Chinese standards.

China's newspapers are proclaiming that the system is successful throughout the country. In coastal Fujian province, peasants have been using their money to buy their own machinery, such as threshers, small tractors and even motorboats for commercial fishing, something they would have had little incentive to do when the stress was on collective sharing. In northeastern China's Liaoning province, the new individual responsibility system has reduced the power of autocratic local leaders so that now, reports the *People's Daily*, there is "less scolding and beating of commune members, less giving of blind directions and forced commands, and less wandering about without taking part in physical labor." In north-central Henan province, according to the *People's Daily*, the peasants' enthusiasm for private production has led them to buy fertilizer with the money they had set aside for their daughters' dowries or even for their own coffins.

Under rigidly applied collectivism, the country's peasants were relentlessly encouraged to follow such utopian precepts as "Love the commune as you would love your own home." In these more realistic times, Chinese agricultural officials confess that such precepts were unworkable. "The speed of development in the past was not very fast," admits Peking Ministry of Agriculture Official Liu Xumao. It seems to have accelerated now that China's peasants no longer must eat out of one big communal pot. ■

Wu Shaofeng and his wife harvesting vegetables on land assigned to them in Anhui province

Under the new system, less scolding and beating and more clocks, radios and bicycles


W GILES MD

Some hospitals are facing serious problems these days.

Problems like extinction.

The federal government pays only part of the hospital costs incurred by Medicare/Medicaid patients. Hospitals are forced to pass the remaining costs on to private patients.

This practice is called cost shifting. It's unfair. Private patients should not be billed for hospital costs the government doesn't pay.

A study of federal government data reveals the severity of cost shifting. The difference between hospital charges and Medicare/Medicaid payments has more than doubled in ten years. This same study shows that underpayments by Medicare/Medicaid that were shifted to private patients amounted to nearly $3 billion in 1979 alone. On an average daily basis, Medicare/Medicaid payments were $198, while private patients were charged an estimated $239 for the same service. The gap could widen if the government cuts back on budgets allocated to these programs.

HIS HOSPITAL IS DYING. COST SHIFTING IS KILLING IT.

In areas that have many publicly supported patients, the repercussions of cost shifting become more severe. Hospitals that have fewer private patients are forced to absorb those costs themselves. This can lead to bankruptcy and forced closings, which in turn denies proper health care to people in these areas. This isn't speculation. In a number of states, hospitals with a high percentage of Medicare and Medicaid patients are in severe financial distress.

Everyone wants to cut health care costs. But shifting these costs doesn't save a cent. It just puts the responsibility for payment on somebody else's shoulders.

Insurance companies are working hard to contain costs with such coverages as second opinions for surgery, outpatient surgery, and hospital preadmission testing.

But these measures won't solve the problem of cost shifting. The best solution ultimately is equality of payment among all payers. This is not a theory, it's a reality now in two states.

In Maryland and New Jersey an arrangement exists under which Medicare and Medicaid pay the same charges for the same hospital services as everyone else. If *all* states had this arrangement, the result everywhere would be equal payment for private and government patients.

We hope that, someday soon, hospitals won't have to worry about keeping themselves alive. That way, they can concentrate on keeping people alive.

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Science

Sotheby President Marion conducts the auction of leasing rights to Satcom IV transponders

A Floating High-Rent District

RCA collects bids of $90.1 million for space on a new satellite

It was an auctioneer's dream come true Last week, within the starkly modern precincts of one of its Manhattan galleries, Sotheby Parke Bernet, which has put on the block everything from Turner paintings to venerable bottles of Château Rothschild, virtually sold empty space And racked up a record $90.1 million sale doing it.

Sotheby's was helping RCA sell space on its new communications satellite, Satcom IV, scheduled to be launched Jan. 12 As Sotheby's president, John L. Marion, opened the bidding, he stood in front of a back-lit picture of an orbiting Satcom that was no challenge to Turner for delicacy and draftsmanship. But aesthetics were not the point. Up for grabs were leasing rights to seven Satcom transponders These devices pick up video signals from one point on earth and relay them to other points, enabling their users to distribute cable programs, for example

Warner Amex and Home Box Office, a subsidiary of Time Inc., plunked down $13.7 million and $12.5 million respectively for two of the transponders. The high bidder, however, was a new outfit called Transponder Leasing Corp., which paid $14.4 million, and will presumably now turn around and lease out its space to other companies. Also high in the reckoning was Billy H. Batts, 46, a lay minister based in Chattanooga, Tenn., who has plans to establish a Protestant Evangelical and family-entertainment network. That must be a record price for a pulpit.

The Federal Communications Commission has until Jan. 15 to disallow last week's auction and all future proceedings There are 17 petitions now before the FCC, objecting to the auction mostly on grounds that selling transponders to the highest bidders is "unjustly discriminatory" and unduly inflates the prices. If the commission should agree, RCA is prepared to assign the transponders on a first-come first-served basis. They also have several to spare: Satcom IV carries 24 transponders, of which eight were assigned three years ago, two are "pre-emptable" (meaning, essentially, that they serve as backups) and seven are as yet undesignated.

There are other communications satellites now in orbit (Westar 1, Comstar D2), but cable programmers like Warner Amex and HBO regard the Satcoms as particularly desirable. Reason: their customers, the cable operators around the country, have antennas that can pick up signals from only one satellite at a time. Naturally, the cable operators would rather invest in a single antenna and still receive the widest possible variety of programs to pass on to home subscribers. Since the Satcoms carry almost nothing but cable signals, they offer such a variety. Thus for programmers, leasing a transponder on a Satcom is like moving into the best neighborhood in town

It may be prudent corporate policy, however, for RCA to hold out space on all its satellites in case of emergency. Those eight previous assignments on Satcom IV are a sobering object lesson, being RCA's way of making good to clients on Satcom III, which was lofted into the air on Dec. 6, 1979 and vanished directly into the great void, where even now it may be circling the starship *Enterprise* and playing hob with its *Tonight* show reception. ■

Artful Builder

Sighting the fabled bowerbird

It had a most unmelodic song, like the sound of someone shoveling gravel. But when U.C.L.A. Ornithologist Jared Diamond crept forward for a closer look, he encountered a bizarre and beautiful spectacle. As he reported at a news conference in Washington, D.C., last week, there in a mile-high rain forest in western New Guinea was a golden-crested male bird about the size of a bluejay. It was standing in front of a remarkable structure of its own making, a 4-ft.-high bower of long sticks and fronds, shaped like a Maypole around a sapling and surrounded by three piles of artfully arranged fruit—blue, green and yellow. The male "held a bright blue fruit in its bill and pointed it toward the female, so it could be seen against the background of its golden crest." The courting creature also emitted a series of odd cries while quivering its crest seductively. Diamond watched for 20 minutes, but "the male did not succeed and the female flew off."

What he had seen was a yellow-fronted gardener bowerbird (*Amblyornis flavifrons*). Though New York's American Museum of Natural History has two skins and the British Museum one (preserved since 1895), no Westerner had ever laid eyes on live specimens before, let alone observed their elaborate courtship ritual.

The monogamous swan caresses the head and neck of his beloved while uttering soft cries. Male argus pheasants impress with an involved dance, spreading their wings to form a saucer for a finale. But bowerbirds rank among the most intricately amatory of avians. Some build bowers up to 8 ft. high and paint them with berry juice, using a twig as a brush. The structure serves as erotic artwork rather than as a love nest. If a female is won over, she will build a drabber, more functional nest.

Rara avis

Excitement over the find may have been slightly dampened because photographs that Diamond took of the birds were lost when a small boat he was traveling in capsized. Experts believe his story anyway. "Normally, one would want a photograph, specimen or more than one observer," says Roger Tory Peterson, noted ornithologist-artist. "But Diamond seems credible, and, knowing New Guinea, I am not surprised by his boat trouble." According to Donald Bruning, curator of birds at the Bronx Zoo, Diamond is "one of the half-dozen people most qualified to identify this bowerbird." Besides, he notes, the bird is not easily confused with any other species. "It is quite unique." ■

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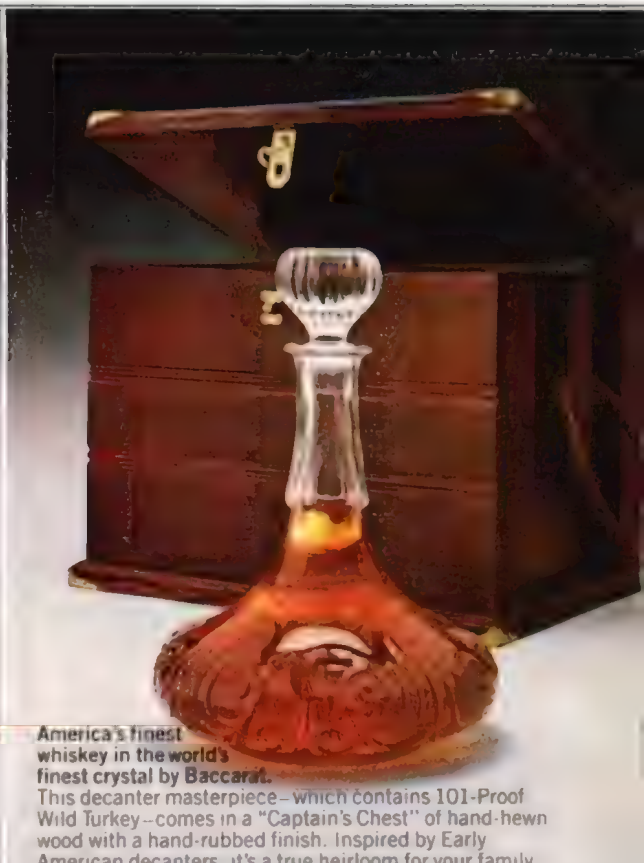

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Muffling the Master's Voice

A new squabble over Freud and his papers

In his authorized biography of Sigmund Freud, Ernest Jones carefully left out all unedifying letters and printed unusually large excerpts from the rest, in the hope of blocking a full edition of the correspondence. Since then, the master's papers have been parceled out selectively by a handful of faithful followers, sometimes out of context and often with no indication of where the censors' cuts have occurred. Freud's daughter Anna, 85, still the dominant figure in the world of psychoanalysis, insists that nothing crucial remains locked in the Freud archives, a collection of 150,000 unpublished Freud letters, papers, transcripts and photographs housed in the Library of Congress. "There are no secrets," she says. Still, in the wake of a miniscandal involving the brash young research director of the archives, Freudians are beginning to wonder.

The director, Jeffrey Masson, 40, was fired last week, four months after challenging Freudian orthodoxy in an indiscreet lecture at Yale. In the talk, Masson claimed that Freud was wrong in abandoning his childhood-seduction theory. The young Freud had believed the literal truth of all reports by patients that they were seduced as children. According to Masson, Freud's conclusion in 1897 that many of these reports were fantasies of repressed sexuality shifted the emphasis of Freudian thought from the external world to the internal one and led to the present sterility of classical analysis. After his dismissal, Masson cheerfully declared that if he is right about Freud's theory, "they would have to recall every patient since 1901. It would be like the Pinto."

Jeffrey Masson

Masson was an odd choice for director in the first place: his academic specialties are Sanskrit and Indian culture, and he has been an analyst only since 1978. Though his flirtation with heresy may well have been enough to cost him his job, some Freudians think a more serious offense was his casual use of classified Freud papers in the archives. Among other things, Masson quoted freely from archives letters in his talk and leaked still secret correspondence to a reporter.

To some Freudians, this seemed like amateurish handling of the sacred texts. Others were angered by off-the-cuff references to papers they have never been allowed to see. "It's contemptible," said Peter Swales, an erudite specialist on Freud. The handling of the archives is a "bloody scarlety scandal," added Paul Roazen, author of *Freud and His Followers* and several other books on the movement. "They are so afraid the image of Freud will be harmed. What can there be in the archives that will not make Freud seem more interesting rather than less?"

Since his firing, Masson has hinted darkly at "revelations" in the Freud papers. Some unpublished documents, he says, "throw a very bad light on analysis. Obviously the decision was made that these documents should go back into the obscurity from whence they came." What is being withheld from Freud scholars? Obviously the handful of people who know won't say, but informed guesses are possible:

▸ Minor quirks and prejudices. Freud did not care much for the U.S., considered almost everyone anti-Semitic and often derided professional colleagues. Also his coarse language and jokes have been routinely edited out.

▸ Papers on Freud's alleged affair with Minna Bernays, the plump and imperious sister-in-law who lived in the Freud household during the last 42 years of his life. Carl Jung reported that Bernays claimed she was having an affair with Freud, and Jung has been fiercely attacked by the orthodox for saying so. Though they admit that Freud and Bernays were close, some scholars believe it was never a true affair. But Swales, after seven years' delving into Freud's life, is giving a lecture this week that he says will prove Freud and Bernays were lovers

▸ Documents on the precise relationship between Freud and Berlin Physician Wilhelm Fliess, his closest friend for many years. Eager to give Freud total credit for discovering psychoanalysis, Freudians have consistently portrayed Fliess as an eccentric and a mere sounding board for Freud's discoveries. Younger scholars, in particular Frank Sulloway (*Freud, Biologist of the Mind*), conclude that Fliess contributed critical ideas, including the conception of the latency period, the natural bisexuality of all human beings and an early version of the Freudian id. Masson has been editing Fliess's complete letters to Freud for publication by the Harvard University Press, though he now expects to be relieved of the assignment.

Freud and his daughter Anna in 1929 at a sanatorium outside Berlin

Hints of scandal, suggestions that patients should be recalled like Pintos.

▸ Doctoring of dreams and patient histories. Some scholars think more than one of Freud's reports about patients are actually disguised autobiography.

Even if the archives yield few big surprises, the smaller revelations could be used in efforts to show that many of Freud's discoveries were merely his responses to personal crises—in effect, reducing to literature what Freudians consider scientific fact. Swales believes that the opening of the archives would "have a radical effect on our understanding of Freud." If so, it is unlikely to happen soon since important documents are sealed until the next century, and one item is not scheduled for release until the year 2102. A more immediate problem is what to do about the archives' approximately 400 secret tapes of reminiscences about Freud and his circle. Masson has them with him in Berkeley, Calif., and is not sure when he will give them back.

—*By John Leo*

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One More Narrow Escape

But Reagan's battle to kill legal services goes on

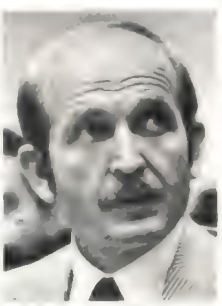
Like two knights locked in endless combat, Ronald Reagan and legal services lawyers are undying adversaries. During his eight years as Governor of California, Reagan constantly urged the Nixon Administration to end all federal support for free legal services for the poor in civil cases. In 1970, the Governor vetoed a $1.8 million grant to California Rural Legal Assistance (CRLA) because a Reagan-requested inquiry had found 135 apparent incidents of misconduct by the group's lawyers. CRLA survived that threat when a three-judge commission declared the charges "unfounded and without merit."

So it was no surprise that when he became President, Reagan again went for the kill: he proposed zero funding for the Legal Services Corporation (LSC), the independent federal agency that provides 85% of the money spent by legal services groups across the U.S. But last week his nemesis once more ducked the federal blow. Acting on a bill that had already passed the House, the Senate cleared the way for continued federal support of legal services, although it cut 1982 funding by 25% to $241 million.

CRLA's Meyerhoff

Sixteen years ago, the Government began providing funds for low-income litigants in civil cases. It was a Great Society program intended to supplement the constitutional guarantee of a lawyer for poor defendants in criminal cases, and it worked. Last year 6,200 poverty lawyers won close to four-fifths of the cases they brought on behalf of 1.5 million eligible poor clients. (For a family of four, income must be below $10,563.) Almost all the cases involved routine problems like evictions, repossessions, divorces and discontinued Social Security payments.

But over the years what has won headlines, and riled the right, are class-action suits attacking general problems facing poor clients. In President Reagan's view, Government money should not pay for lawsuits "which are, in reality, attempts to enforce a judicial resolution of political and public policy issues properly left to the electorate." Also nettlesome to conservatives is the lobbying that poverty lawyers occasionally engage in. In California, for example, an air-conditioning company foreclosed on a purchaser's home if he missed payments; legal services attorneys persuaded the state legislature to outlaw the practice. Under the rules set last week by Congress, both class actions and lobbying will be all but eliminated.



LSC President Bradley

Of course, legal services has some committed admirers too, and it was their fervent lobbying on Capitol Hill that apparently kept LSC alive. The American Bar Association and other elements of the legal community enlisted every silver tongue and strong arm they could muster—from former Attorney General Elliot Richardson to former General Motors Chairman Thomas Murphy. Another boost came from a New York *Times*–CBS News poll showing that 83% of Americans opposed reductions in legal services spending. The President is surely unhappy with the outcome, but he is not expected to veto it, because the appropriation will be only a small part of a larger funding bill.

Reagan is still stalking LSC, however. By early next year he will have replaced the corporation's eleven board members with people who question much of the LSC's current thinking. Ronald Zumbrun of Sacramento is expected to be announced shortly as Reagan's choice for the LSC chairmanship. "The poor will have their own James Watt," groans CRLA's Al Meyerhoff. Zumbrun frequently tangled with CRLA over funding cuts when he was a deputy director of Reagan's department of social welfare and more recently in his position as head of the conservative Pacific Legal Foundation. Charges outgoing LSC President Dan J. Bradley: "Zumbrun has never demonstrated that he gives a damn about low-income Americans."

Zumbrun will find an already weakened work force when and if he takes over. In anticipation of the federal funding cut, programs across the country have been scaling back their operations, especially in hard-to-cover rural areas. The West Virginia Legal Services Plan recently closed six of its 14 offices and trimmed its staff of lawyers (average salary: $15,500) from 31 to 17. Evergreen Legal Services in Washington State, which has laid off 52 employees, plans to decrease its caseload by at least 40%. The cutbacks come at a particularly difficult time, contends LSC's Bradley. Reason: major changes in welfare and other entitlement programs have created a large pool of would-be clients who will want to challenge benefit losses.

Likely Boss Zumbrun

Who will take up the slack? Conservatives, pointing out that nongovernmental groups financed legal services in earlier times, contend that private practitioners can represent clients now served by poverty lawyers. The A.B.A. insists that the demand for services is too great and that most lawyers are inexperienced in the types of cases that legal services attorneys specialize in. As for local government support, states and cities are hardly likely to dip deeper into their own pinched purses, especially not to fund groups that are often suing them. Jim Martin, director of the West Virginia program, is pressing his state legislature to help by raising the $10 filing fee charged to plaintiffs above the poverty line, but few observers believe he will succeed. Facing harder financial times and a harder board of directors, legal services clearly has more fights ahead, but last week's victory demonstrated it is still up to the challenge. —*By Bennett H. Beach. Reported by Evan Thomas/Washington*

Jailhouse Bread

Not-quite-free enterprise

The 36 food banks that provide free food for the poor in and around Seattle had a shortage of bread last summer. Meanwhile, Seattle's King County jail had a shortage of wholesome prisoner activities. Putting those two ingredients together, unusually enterprising county bureaucrats came up with a neat solution: take a group of idle inmates, provide training and let them bake bread. The result has been a fast-rising success. Since the start-up last month, the bakery has attracted 25 prisoners, who now turn out 430 loaves daily. The bread, which is nearly as hearty as English muffins, proved popular enough for the not-quite-free enterprise to break out into the marketplace. By last week 500 supermarkets were stocking the newly trademarked Jailhouse Bread, packaged in red-white-and-blue plastic bags featuring a two-story jail with six barred windows. The stores will be supplied by a private bakery, and royalties will be paid to the county for the right to distribute the product based on the jail's recipe. Convict labor is thus not taking any jobs away from community residents, but the inmates stand to gain. As part of its deal with the county, the private bakery has pledged to hire some of the jailhouse bakers when they get out. ■

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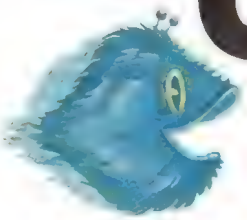

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Education

Biographer of Mankind

Will Durant: 1885-1981

It was all Spinoza's fault. In 1908 William James Durant, the Massachusetts-born son of unschooled French-Canadian immigrants, was well on his way to fulfilling his mother's dream that he become a priest. Then he came upon a copy of Spinoza's *Ethics* in a seminary library. So convincing did he find the 17th century Dutch pantheist that he quickly abandoned the church, deciding instead, as he put it, to pursue a "more intellectually honest life." What he found was another calling. For 48 years, eleven volumes and nearly 10,000 pages, Will Durant labored with monastic devotion on a "biography of mankind" that would place 110 centuries of human thought and endeavor within easy reach for the average reader. *The Story of Civilization* was, he admitted, "an absurd enterprise, immodest in its very conception," but also irresistible to the compulsive teacher and self-confessed "lover of the lovers of wisdom," who died a week ago at 96.

Radicalism, Durant asserted, is "just the measles of your intellectual growth," and in his early years he had quite a case himself. Said he: "I stood many an evening on a soapbox, preaching 'Socialism, the Hope of the World.' " In 1912, while teaching at the anarchist Ferrer Modern School in New York City, he met dark-eyed Ida Kaufman, a precocious 14-year-old pupil so "sprightly" he called her Puck and later Ariel. She pursued her 27-year-old instructor relentlessly, until he "fell in love with her and kidnaped her and married her." The bride, who carried roller skates to the altar, became his lifelong collaborator. She died just 13 days before he did.

After earning a Ph.D. in philosophy from Columbia in 1917, Durant lectured on the subject to adult laborers. In 1922 a publisher persuaded him to put his anecdote-filled lectures in writing. The result: a series of 5¢ pamphlets later issued in one volume as *The Story of Philosophy*. It eventually sold more than 3 million copies.

The Story of Civilization was planned as a five-volume, 25-year project, but the author underestimated his own ardor and longevity. The series expanded, filling the Durants' hours from 8 a.m. to 10 p.m., seven days a week. After Volume V came Will's announcement, at 69, that "the imminence of senility" would bring the work to an end with Volume VII. But it was only at age 90, after Volume XI—*The Age of Napoleon*—that Durant retired. "The ego is willing," he said, "but the machine cannot go on."

Will and Ariel Durant in the Hollywood house where they worked for four decades

A gift for aphorism, a love of eccentrics, a passion for history

Every volume was a bestseller. The tenth, *Rousseau and Revolution*, won a 1968 Pulitzer Prize. Yet the very qualities that helped sell his books often earned the sneers of scholars. He gave history's eccentrics (Casanova, Caligula) more than their due. He was often glib ("Voltaire + Rousseau = Diderot"). On the other hand, he was capable of aphoristic wisdom that any academician would envy ("A nation is born Stoic, dies Epicurean").

"Civilization," Durant once observed, "is a stream with banks." Most historians, he thought, concentrate on the stream, "which is sometimes filled with blood from people killing, stealing, shouting." Durant was devoted to what happened on the banks. There, "unnoticed, people build homes, make love, raise children, sing songs, write poetry, whittle statues"—or write about it all. ■

Fighting the Paper Chase

Companies look to office automation to boost white-collar productivity

The executive is paid to think, to decide and to manage. In fact, he spends much of his time doing anything but that. All too often, he finds himself buried under paperwork, endlessly returning phone calls only to get a busy signal or no answer, or simply waiting for late reports. The struggle to boost sagging American productivity has usually centered on the shop floor and on ways to make men and machines work faster. But businessmen should be spending just as much time looking into their administrative offices and executive suites. There, some of the biggest bottlenecks of all are to be found among the 52 million American white collar workers.

With U.S. business continuing to shift further and further away from basic manufacturing, which now accounts for less than 25% of G.N.P., and toward service-type fields such as law, accounting, tourism and finance, armies of white collar employees have become indispensable to the conduct of business. Last year, workers, ranging from clerks to chief executives, earned more than $760 billion in wages and salaries, or more than 25% of the total output of the economy. Getting control of that skyrocketing cost, and making sure that the money is well spent, has become one of the most critical challenges facing business today. Says Donald N. Frey, chairman of Bell & Howell: "The decade of the '80s is going to be very much concerned with improving white collar productivity."

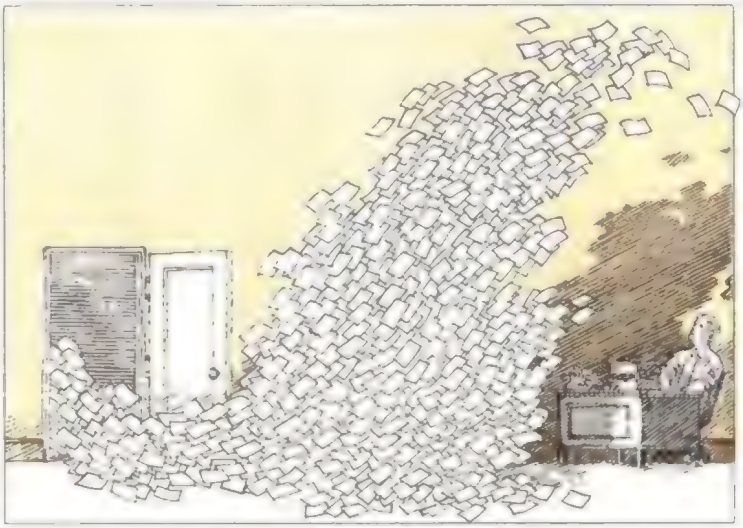
Measuring the efficiency of office employees is difficult, and trickier by far than merely monitoring the output of a plant making automobiles, refrigerators or shoes. In the world of the white-collar worker, measurements that focus on such things as simply increased output in the office are just not relevant. Turning out more reports that do not get read may decrease rather than increase office productivity. On the other hand, by entering just about any American business office it is easy to see that hours are being poorly used or frittered away.

A 1980 study by the Booz Allen & Hamilton management consulting firm found, for example, that business managers often spend no more than 29% of their time on actual "thought work" such as reading, creating documents and problem solving. More often, the workday gets drained away in such time-consuming and distracting activities as arranging meetings and conferences, searching for information, and waiting for the preparation and delivery of reports and studies.

The basic office structure has changed very little when compared with the rest of U.S. business. Xerox quips in an ad that the businessman of 1981 would feel right at home in an average 19th century office furnished with such "modern" inventions as the eraser-tipped pencil, patented in 1858. The level of capital equipment is also much lower than in a manufacturing facility. A blue collar worker today is backed up by $25,000 in machinery, while a white collar one has only $2,000 in equipment at his or her fingertips.

From this inefficiency is now blossoming a whole new industry, producing a steady stream of exotic-sounding electronic and computer-based office machines. The companies that make and market the gear range from office-product giants as big as International Business Machines (1980 sales: $26 billion) to Altos Computer Systems of San Jose, Calif., an aggressive young microcomputer manufacturer that has been in business for less than five years and already has racked up annual revenues of $60 million in the current fiscal year.

Two weeks ago, the Wang Laboratories of Lowell, Mass. (1981 revenues: $856 million), announced the introduction of a new system that supports as many as 24 separate word- and data-processing terminals and can receive information by actual telephone voice command. Days earlier, the Hewlett-Packard Co. of Palo Alto, Calif., a leading computer manufacturer, announced its own entry into office automation by unveiling 20 new state-of-the-art products.



The firms are storming into a market that last year produced revenues of approximately $4 billion and may increase by 40% to 45% in yearly sales gains through 1985, a rate that dwarfs almost every other sector of U.S. business. Says Sanford Garrett of the New York investment brokerage firm of Paine Webber Mitchell Hutchins Inc.: "What you are dealing with is a market measured literally in hundreds of billions of dollars on an annual basis."

Already, companies everywhere are experimenting with some form of office automation. Earlier this year, Atlantic Richfield Co. of Los Angeles, the nation's eleventh largest industrial concern, installed an elaborate $300,000 system of Xerox-designed word processors linked to a central memory bank. The system enables professionals in the company's corporate systems department to type and send memos among themselves as well as prepare their own reports and even store and retrieve research. Not only has this saved time and effort by file clerks and administrative assistants, but the entire department of 95 now functions smoothly with only five secretaries, a 1-to-19 ratio that compares with a 1-to-5 relationship throughout the rest of the corporate offices.

Aetna Life and Casualty Co. of Hartford, Conn., the nation's largest diversified financial organization, has already installed upwards of 7,000 desk-top

Illustration for TIME by Chas B. Slackman

word and data-processing terminals for its 38,000 employees, approximately a 1-to-5 ratio that the company expects to boost to 1-to-2 by 1985. Competitor John Hancock Mutual Life Insurance Co. of Boston has spent $1.5 million on office automation. Company vice presidents now sometimes can be seen using the machines on their secretaries' desk tops during lunchtime and after-hours. Says William Boyan, executive vice president of corporate operations: "You are able to make better-informed decisions quicker. When we get equipment into the hands of people who report to me, filing will be reduced by one-half."

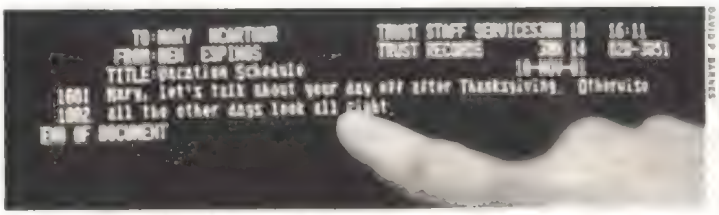
The pitfalls of office automation, though, can be as great as the promise. Companies that automate with planning and foresight enjoy leaps in output, while those that rush blindly into the uncharted world of the office-of-the-future come soon enough to regret it. Adding word processors and an electronic mail system to a department filled with middle managers might simply boost their output of pointless memos or reams of undigested numbers, thereby actually adding to company overhead instead of paring it back. Says a staffer at Apple Computer Inc., a leading manufacturer of personal computers: "We found ourselves generating hundreds and hundreds of pounds of papers until top management decided it wanted fewer numbers and more thoughts." On the other hand, a study by the General Accounting Office on office automation within the Federal Government found only isolated increases in productivity resulting from the purchase of word-processing machines, largely because the equipment was not sensibly and widely used.

The fact is that many firms make the mistake of automating without a long-term strategy and a comprehensive plan of what they want to accomplish. The purchasing department may have needs entirely different from those of finance and accounting, for example, and only after it is too late does the company discover that it has installed different procedures or totally incompatible machinery in the two departments.

Though office automation is already making large strides among clerical and lower-level administrative workers, the real gains seem destined to come from getting professional and management personnel to use the new equipment. And this is likely to take place before too long. Says John F. Cunningham, executive vice president of Wang Laboratories: "Of top management in the FORTUNE 1,000, less than ½% today use office automation equipment themselves. By 1991 the figure will probably be 50%." Adds Robert Morrill, vice president for marketing at Prime Computer Inc. of Wellesley Hills, Mass., a leading office products concern: "We sense an explosion of interest from engineers, financial analysts and market planners. We are focusing on the productivity of the professional as opposed to that of the clerical. It is an untapped market where there has been little real productivity gain since the dictating machine and the telephone."

Donald Frey, chairman of Bell & Howell, with his firm's microfilm reader at the office

Many managers, though, still resist the idea of a computer terminal on their desks. Some feel threatened by the sheer unfamiliarity of the new technology, while others wonder whether an automated office will really help them to do their jobs better or faster. Says John McCarthy, assistant vice president for office systems at First National Bank of Boston: "There is no device yet on the market that addresses genuine executive functions." A survey of business managers earlier this year by a subsidiary of the Dennison Manufacturing Co., an office products firm in Framingham, Mass., found that many regarded computer-generated planning data as simply too detailed for the sorts of strategic decision making required of executives. Said one insurance executive: "The way computers are applied today is like using the space shuttle for home milk delivery."



Continental Illinois Bank employee routes electronic mail memos such as above

Thus the major problem of office productivity is to develop machines that are easy to operate. Many executives are dismayed to learn that a computer is harder to use than a telephone or food processor, and are quickly discouraged when the device does not instantly perform as wished.

Studies show that one effective way to overcome middle-management resistance is for senior executives to take the lead and demonstrate a firm and highly visible commitment to the new equipment. Says Donald J. Gogel of the management consulting firm of McKinsey & Co.: "Behind every change there has to be a product champion. A senior role model is very important." Adds Brian Usilaner, the director of the General Accounting Office's National Productivity Group: "The only way you are going to get office productivity improvement is from the top down. You must hold the managers accountable for the improvement in productivity." After years of urging their employees to work more efficiently, the bosses themselves will now have to step up their own output.

—By Christopher Byron. Reported by Gisela Bolte/Washington and Sara White/Boston

Hard Times Ahead for Egypt

Mubarak's first major task will be to reduce food subsidies

Traffic in Cairo streets is regularly blocked by $40,000 Mercedes while their owners indulge Gucci tastes in smart boutiques. Foreign banks and trading companies compete for expensive floor space in new high-rise office buildings. Yet near by, millions of lower- and middle-class residents crowd ramshackle dwellings in fetid slums, and millions of *fellahin* till fields of wheat and rice in the Nile Delta as seasonal workers for $2 a day. In Egypt, a patina of superficial prosperity gilds a fragile economic core. The revenues from new trade policies and foreign investment are flowing to an all too visible superclass of the very rich. But at the same time, the great mass of Egyptians are struggling with overcrowding, a breakdown of critical services and lack of productive jobs.

The dichotomy between rich and poor is both as old as Egypt's pyramids and the most pressing problem facing President Hosni Mubarak. In his first major address since taking office, Mubarak last week told a session of the People's Assembly: "Egypt is for all. It is not a community of the privileged few, who would monopolize influence. Our success depends to a large extent on our ability to deal with the economy. The time for work has come."

Egypt's problems, though, defy easy solution. The per capita income is a meager $469 per year. Its middle class is beset by an acute lack of affordable housing. Industry is virtually stagnant, and productive foreign investment is anemic. The country now imports half of its food. Says Abdel Razak Abdel-Meguid, the American-educated Deputy Prime Minister for Economic and Financial Affairs: "Because of our favorable balance of payment statistics, the economy looks good on the outside. But inside it needs a lot of work."

The late Anwar Sadat in 1974 launched *al infitah* (the opening), a much heralded attempt to promote foreign investment by lifting restrictions on trade and the movement of currency. In addition, the government promised that the peace treaty Egypt signed with Israel in March 1979 would lead to a business boom. Said the billboards in Cairo at the time: PEACE EQUALS PROSPERITY.

This open-door policy initially appeared to be a success. First-class hotels began springing up everywhere, and companies from Coca-Cola to Pierre Cardin established plants to take advantage of the cheap labor. Egypt became a magnet for tourists, who spent $800 million there last year.

But today *al infitah* is regarded as a major disappointment. The dreams of massive foreign investment, in particular, turned into sand. Egyptian workers quickly came to resent the high-spending visitors with their flashy life-styles. Western businessmen viewed Egypt as a vast untapped market for consumer products and invested in few projects that contribute to long-term growth.

Foreign executives have their own list of complaints. U.S. companies that wanted to build manufacturing facilities found their development plans mired in the corrupt and immobile government bureaucracy. Investors have also been turned away by the continued deterioration of vital services. Making telephone calls can take half a day because connections are poor. Water taps are often dry, and whole neighborhoods are frequently inundated with sewage. Public transportation, especially in Cairo, is badly overcrowded and unreliable.

Sadat's program hardly touched the lives of Egypt's poverty-stricken masses. Mokhtar Younis, 54, is a baggage porter at the Cairo railroad station and lives in a nearby slum. He is able to get work only about 15 days a month, for which he receives a monthly take-home pay of about $14. He and his wife Ne'mat, 28, live with their eleven children in a single room that measures just 9 ft. by 12 ft.

Mokhtar's large family, like millions of others, survives only because of price subsidies that keep down the cost of seven basic products: wheat, flour, sugar, rice, tea, vegetable oil and butane gas, which is used for cooking. The government spends 30% of the entire national budget on the program of low prices, which has also badly distorted the whole economy. Bread, for example, costs only 1¢ a loaf and so farmers also use it as a cheap animal feed.

Many experts maintain that the first step in economic reform is to establish more realistic prices for the seven key commodities. In 1977, when Sadat tried to cut back the subsidies, bloody food riots broke out around the country. Nonetheless, the new government will try to tackle the problem again. Economics Minister Meguid says that the state is planning to embark on a food stamp program early next year that will continue subsidies for the poor and middle class but force the rich to pay the full price. Mubarak also said last week that he plans to direct *al infitah* toward more productive investment and away from the costly consumption of imported luxuries.

The new President's businesslike style is already drawing plaudits. Says one Western diplomat: "Sadat was a visionary, but he certainly was no administrator. Mubarak takes administration seriously, and he's concentrating on the most important problems."

But the obstacles facing Egypt may thwart good intentions and a tough executive. The economy will be badly hit because receipts from oil exports, which provided $2.5 billion in foreign currency last year, are tumbling along with the fall-off in world crude prices. Egypt is also beset by a ticking demographic time bomb. Its population of 43 million is growing at an astounding rate of 3% a year and could reach 70 million by the year 2000.

In his speech last week, Mubarak warned that Egypt's very existence was threatened by its deteriorating economy. Said he: "Our greatest challenge is simply whether we are to be or not be." His paraphrase of *Hamlet* could not be more accurate. ***—By Alexander L. Taylor III. Reported by Peter Warg and Robert C. Wurmstedt/ Cairo***

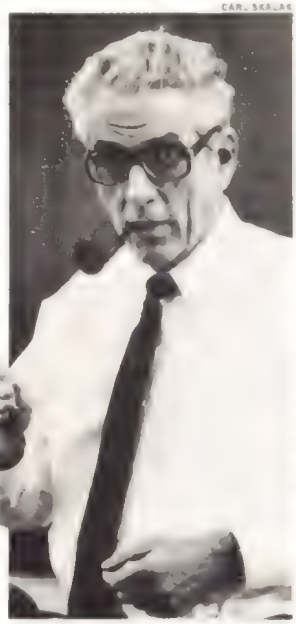
Workers haul garbage by donkey cart in Cairo. Inset: the Egyptian leader during his speech

"Our success depends to a large extent on our ability to deal with the economy."

Rolling Again

Firestone's strong comeback

Less than two years ago, Akron's Firestone Tire & Rubber Co., the second largest U.S. tiremaker, behind Goodyear, was skidding almost uncontrollably toward bankruptcy. Sales to the U.S. auto industry were sharply off, and some of Firestone's most faithful customers, like Ford, had been turning to France's Michelin for radial tires for certain models. In addition, Firestone was reeling from a 1978 agreement with the Government forcing it to begin recalling up to 10 million of its 500 radial because of possibly dangerous defects. Related consumer and class-action lawsuits against the company sought damages of up to $2 billion. Company debt exceeded $1 billion, and losses for Firestone's 1980 fiscal year reached $106 million.



Tiremaker John Nevin

It looked like a crisis that could be dealt with only by an expert in the tire industry. But the board of directors unexpectedly went outside the business and chose John Nevin, 54, the silver-haired chairman of Zenith Radio Corp., to head Firestone. Nevin was not a total stranger to Firestone's world. Earlier in his career, he had been general manager of Ford Motor Co.'s parts division. Says he: "I knew tires and tire companies well."

In December 1979, Nevin arrived in Akron with a mandate to do whatever was necessary to save the company. "I took over with my eyes wide open," he recalls, "but I was not aware of how critical the cash problems were." Indeed, in the three years preceding Nevin's arrival, Firestone had a negative cash flow of $400 million.

Nevin moved swiftly. During 1980 he cut excess capacity by closing seven Firestone tire plants in the U.S. and Canada, leaving ten, and reduced employment from 107,000 to 83,000. He slashed plant capacity, in part because he believes that tire sales in the foreseeable future will not return to the levels set during the early 1970s. Reasons: radials wear much longer than bias tires, and auto production is unlikely to reach its prior peak levels.

This tough action was probably the only thing that saved the company. Says Nevin: "In the first year I had the image of a hatchet man. It was a damned unpleasant way to make a living." Production of so-called private-label tires, those sold at service stations under oil company names, for example, was cut drastically. "For too long," said Nevin, "Firestone's objective was to take any business just to fill idle capacity, even though the profits were marginal. Our productivity problem was self-inflicted."

Firestone's survival was also helped by some important concessions from the United Rubber Workers union. In Noblesville, Ind., Firestone workers took a pay cut to save jobs. In Memphis, employees agreed to reduce 20 work classifications to five. Says Nevin: "We now get 30% more production out of the same equipment and overhead costs."

To cut overhead further, Nevin sold the Firestone Plastics Co. to Occidental Petroleum for $200 million, omitted two dividends to shareholders, peddled two luxury corporate jets and put the Firestone Country Club up for sale. Says Nevin: "After cutting 24,000 jobs, we had no business running a country club for a thousand employees."

Although it was painful, the corporate shrinking operation achieved dramatic results. For the first nine months of the 1981 fiscal year, net income switched from a loss of $98 million in 1980 to a profit of $121 million. Debt was cut in half. Firestone's remaining plants are now operating at a brisk 90% of capacity, and probably will stay at a healthy 85% even if the current recession gets worse.

The problems with radial tires now seem to be behind Firestone. Almost all of the ones with possible defects have been recalled and replaced by the 721 radial, which is regarded by industry experts as equal in quality to anything Michelin or Goodyear offers. More than half of the lawsuits by individuals arising from the troublesome tires have been settled, and the remaining cases do not pose a threat to the company's existence.

Firestone's share of the U.S. tire market has dropped from an estimated 22% in 1978 to the current 15%, but Nevin is keeping his eye fixed on profits. Says he: "One of the ways we got into trouble was desperately chasing Goodyear. I'd rather be 30% behind Goodyear, but earning a 15% profit on equity."

Nevin would like to increase income further in coming years by expanding auto service at Firestone's nationwide network of 4,500 dealers and 1,400 retail stores. Says he: "One-third of U.S. gas stations are going out of business, and so will up to 20% of the auto dealerships." Those outlets have traditionally performed about 60% of routine auto servicing, and Firestone wants to take over more and more of that business. ■

Bailing Out

Exxon withdraws from Libya

Ever since Libya became the personal fiefdom and fortress of Colonel Muammar Gaddafi in 1969, it has been a treacherous place for Western oil companies to pump crude. In 1973 Gaddafi seized a 51% share of all U.S. oil operations in Libya and threw Texas Oilman Bunker Hunt out of the country altogether. But last week an oil company reversed roles and walked out on the colonel. Exxon announced that it was withdrawing all its oil and gas operations from Libya. The company will turn over to Gaddafi its 49% stake in oilfields capable of producing 150,000 bbl. per day, plus a refinery and natural gas complex near the port city of Brega. Estimated value of Exxon's loss: $50 million to $100 million.

Exxon refused to explain why it was departing abruptly from Libya or to say whether it would receive compensation for its property. The company's relations with Gaddafi's regime have been openly hostile for months. Last June the oil company complained that Libya's premium price of $41 per bbl. was outrageous and began sharply curtailing production from its Libyan wells. At the same time the company was worried because some of its workers at the Brega facilities were being forced out of their homes to provide more housing for soldiers in Gaddafi's growing army.

Energy analysts speculate that pressure from Washington may have played a part in Exxon's decision. After U.S. Navy planes shot down two Libyan jets over the Mediterranean last summer, the State Department sent a letter to American oil companies calling for their cooperation with the Administration's efforts to cut off U.S. relations with Gaddafi. Says Elihu Bergman, executive director of Americans for Energy Independence: "I'm sure that some jawboning took place between the Administration and Exxon." While the State Department took no credit for Exxon's move, one pleased official said that it would "deal a blow to Libya" and was "clearly in line with our cold attitude toward the Gaddafi regime."

Like Exxon, other oil companies operating in Libya are discontented, particularly with Gaddafi's high prices, royalties and taxes. Mobil, for one, announced late last week that it was considering pulling out. Only Occidental, which negotiated a special price concession from Gaddafi two months ago, says that it firmly intends to stay in Libya.

Exxon's action last week was made much easier by the current world glut of oil. The major petroleum companies are now well stocked with crude because consumption has been falling. Rather than causing a shortage of petroleum, the loss of Libyan production will just mean a little less for Exxon to put into storage tanks. ■

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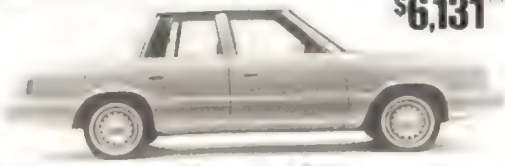

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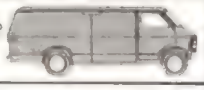
$500	CASH BACK on 1981/82 Dodge Ram vans	
$600	CASH BACK on 1981 Chrysler LeBaron	
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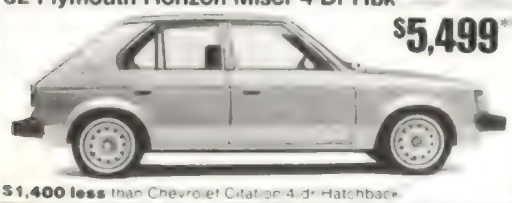

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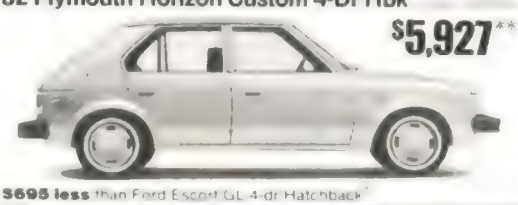
'82 Dodge Omni Custom 4-Dr Hbk
'82 Plymouth Horizon Custom 4-Dr Hbk — 47 30 — $5,927**



$695 less than Ford Escort GL 4-dr Hatchback

CHRYSLER
Plymouth

White sidewall tires $58 extra (currently). **Standard equipment levels may vary among vehicles compared.** *Based on published General Motors prices as of August 1, 1981. **Price comparison does not include current Ford Motor Company rebate. Chrysler Savings Program not available in Texas.

These public television presentations made possible by grants from Atlantic Richfield Company.

ARCO

U.C.L.A. Freshman Kirsten Reicherter shows the school colors; Michigan fans line up for purchases at the M Go Blue Shop

Economy & Business

Turning Rah-Rah into Revenue

Colleges enjoy big sales on a deluge of souvenirs

Until recently, most college athletic departments operated securely in the black. Fat profits on big-time football and basketball games easily paid for such non-revenue-producing sports as track and swimming. But a decade of spiraling costs and huge new budget expenditures to meet the 1972 federal regulations guaranteeing equal opportunity for women athletes has changed all that. With red ink accumulating in locker-room ledgers, athletic administrators across the country are looking for new ways to make money. Among their discoveries: the old school tie, plus the shirt, ring, toilet seat and anything else that can carry the local mascot or logo.

The search for rah-rah revenues started with professional sports teams, which have long controlled and handsomely profited from use of their trademarks. The fever to look like a Dallas Cowboy while jogging or to outfit a Little Leaguer like a New York Yankee has developed into a $600 million industry. NFL Properties, the marketing arm of pro football, last year saw sales of $325 million on 374 items.

A similar, though smaller, market long existed for clothing and knick-knacks carrying college emblems, but universities rarely tried to make substantial profits from the sales. Few schools held rights to such trademarks as mascots, team nicknames, university seals and school colors. Manufacturers were free to sell items without paying licensing fees. No longer. In the past year some 25 big-time schools have registered their symbols, and a flurry of cease-and-desist orders has gone out to ensure that royalties are paid to the colleges.

One of the most aggressive promoters is the University of Michigan, which helps balance its $10.5 million annual athletic budget by retailing 270 souvenir items. A slick color brochure is included in the 2 million pieces of mail that Michigan sends out yearly to sell season tickets for various sports. The payoff: $1.6 million in ticket sales and an additional $400,000 in souvenir income. Michigan also licenses its logos to outside vendors through International Collegiate Enterprises, a Northridge, Calif., firm that specializes in merchandising college trademarks.

Athletic Director Don Canham started Michigan's sales drive "when I got tired of seeing kids around Ann Arbor in Detroit Lions T shirts." Now that local children are safely outfitted as Michigan Wolverines, Canham sells limited-edition prints of a wolverine signed by Football Coach Glenn E. ("Bo") Schembechler. Artist Bob Dorman and Canham himself ($75), kazoos (50¢) and everything in between. The university even has jelly beans in the school colors. Says Mike Palmisano, director of promotions and marketing: "You don't know how hard it is to find maize and blue jelly beans."

The schools find a variety of uses for their profits. Pennsylvania State University plows souvenir income into the general athletic program. The University of Oklahoma, which registered its trademarks two years ago and anticipates revenues of more than $100,000 within two years, has earmarked its profits for women's sports programs, where costs have jumped from $10,000 in 1975 to $900,000 this year. The University of Florida earns $500,000 for its general athletic fund on $2 million sales from licensing, catalogue and retail sales at five specialty outlets and 31 Gator Shops in department stores scattered around the state. The University of Georgia, which markets its logos through the college bookstore, had $2 million in sales in 1980, when the football team was national champion. It uses the profits to reduce textbook prices. U.C.L.A. is another school that keeps the cost of books down by selling memorabilia.

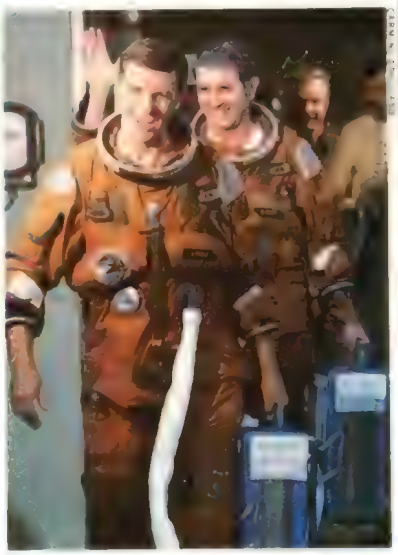
The university souvenir trade has also developed its business specialists. Steve Crossland, director of university stores at Southern California, has been holding seminars on trademark law and various marketing strategies for his colleagues around the country. Says Crossland: "Manufacturers have been doing business with collegiate goods for years without paying licensing fees. Any school should be able to control the commercial exploitation of its name. Sales through college stores are a $2.25 billion industry that nobody knows anything about." —*By B.J. Phillips. Reported by Jeff Melvoin/Los Angeles and Paul A. Witteman/Detroit*

The Penn State college bookstore looks like a bargain basement

Radiant Lift-Off, Hasty Landing

On its second trip, Columbia *comes down early*

When he was asked if he had any misgivings about flying in a used spacecraft, Astronaut Joe Engle, 49, replied unhesitatingly. Of course not, said the veteran Air Force pilot, *Columbia* had been tested as thoroughly as any aircraft ever flown. Last week Engle had some cause to rue those words. Despite a flawless and spectacular lift-off, the orbiting spacecraft soon fell prey to more of the technical afflictions that have plagued the $10 billion shuttle program from its very beginning. Two hours after the shuttle rode its pillar of fire into the Florida skies, alarm lights flashed in the cockpit. It was the first hint of trouble in *Columbia's* elec-



Astronauts Engle and Truly ready to go

trical system, and soon fears arose that the spacecraft itself might be rocked by the same kind of explosion that nearly turned the Apollo 13 moon flight into a disaster. Mission controllers in Houston, who took technical command of *Columbia* 7 sec. off the pad, managed to ease the crisis by more of the improvised remote-control repair work that has saved the day in past emergencies. But one of *Columbia's* three battery-like fuel cells was ruined and the craft's electrical capability was reduced by a third. After some soul searching NASA's bosses prudently called the mission to an early halt.

Thus at week's end, after only 36 orbits of the earth, instead of the 83 so meticulously planned, Engle and his sidekick,

Columbia's cargo arm flexes as "imaging" radar, left, maps distant earth

An extraterrestrial crane to delight any sidewalk superintendent.

Richard Truly, 44, brought *Columbia* back to earth. Despite gusts of westerly winds up to 24 knots, it was another picture-book landing on the hard-packed dirt of the dried lake bed at California's Edwards Air Force Base, where *Columbia* put down after her first sortie into space last April. As the ship touched down exactly 2 days, 6 hr., 13 min. and 10 sec after the start of her globe-girdling flight, the pilot of a little chase plane said: "Welcome home." And the watching world, even the cool hands at Mission Control Center in Houston, breathed a collective sigh of relief.

Space officials tried to put the best possible face on *Columbia's* latest troubles, which began two weeks ago when clogged oil filters caused an abrupt postponement of the flight. After all, just getting a used spacecraft into orbit was a notable first. The Soviets, who have been hurtling cosmonauts into space with awesome regularity, have yet to attempt such a feat. U.S. space officials emphasized that all of *Columbia's* first four missions are in fact test flights. Their purpose is to turn up just such "glitches" as *Columbia's* problems with its electrical system, before the shuttle spacecraft actually goes into regular service.

As for the flight itself, NASA spokesmen noted that even in their abbreviated tour around the earth, Engle and Truly had still managed to perform most of their work load, especially the key experiment trying out for the first time in zero-gravity the shuttle's $100 million Canadian-built mechanical arm. On future flights, the arm will be used to place satellites in earth orbit and to pluck them out of space and load them into the orbiter's big cargo bay when they require servicing or replacing. NASA's verdict on the extraterrestrial crane would have delighted any orbiting sidewalk superintendent: the six-jointed 50-ft.-long arm was extended, bent and manipulated with barely a hitch.

Yet, coming as it does after repeated delays, *Columbia's* foreshortened voyage is sure to raise questions about the shuttle's high cost and low dependability, and about the NASA priority that has drained off funds from many other space projects. Commented Senator Larry Pressler of South Dakota: "I think it's beginning to bother people at a time when we're cutting back everything else." NASA, which originally hoped to launch *Columbia's* second flight last September, has already all but abandoned its earlier claim that a fleet of orbiters, eventually to number four, will need only two weeks of preparation between flights. Space officials privately admit that each "turn around" will probably take a month.

There have also been strong complaints from the scientific community because the shuttle's spiraling costs have forced the space agency to abandon other explorations. Among the scrapped projects is an unmanned probe that would fly past Halley's comet when the long-tailed intruder returns to the earth's vicinity in 1986, after an absence of 76 years.

But New Mexico Senator Harrison ("Jack") Schmitt, a geologist who in 1972 took part in the last mission to the moon, insists that popular support for space is increasing. He may be right, though the general public was bemused by the spectacle of so costly and complex a machine crippled by a dirty oil filter and failing battery, just like anyone's six-year-old sedan. Schmitt dismisses the shuttle's problems as routine hurdles to be overcome in any race to develop new technologies. Adds Senator Bob Packwood, chairman of the Commerce, Science and Transportation Committee: "The shuttle's future is secure."

One man who should certainly figure in that future is President Reagan, who stopped at the Johnson Space Center on the eve of the astronauts' return. During the 15-min. visit, he shook hands with the controllers, accepted a button saying "Love a Launch," and took the microphone briefly to wish the crew well. Said the onetime celluloid cowboy: "This is a rare experience for an old horse cavalry officer." But he made no mention of rescuing the space program from its present financial distress.

The fuel-cell problem that cut short the flight involved only one of three battery units *(see diagram next page)* that provide all the spacecraft's electricity and water through an electrochemical reaction between hydrogen and oxygen. Though no larger than a suitcase, the power plants are crucial. If all three failed, the ship's system would come to a halt, leaving it and its crew spinning helplessly through space, unable even to fire the retro rockets that slow the craft down enough so it can re-enter the earth's atmosphere. As one NASA official put it, there would be "no electricity, no lights, no instruments, no computers and no engines." Added Flight Director Neil Hutchinson: "We would lose the vehicle."

Until *Columbia's* flight, fuel cells had proved notably dependable, generating electricity on all manned American spaceships without a major failure as far back as the days of the Gemini program in the 1960s. (When the electrical system faltered during the Apollo 13 mission to the

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moon in 1970, it was due to an explosion of an oxygen tank rather than a fuel-cell failure.) Yet 2 hr. 27 min. into the flight, *Columbia's* sensors showed a sharp fall in acidity levels of fuel cell No. 1. The implication of these readings was quickly apparent to the technicians: water was building up in one or more of the narrow channels that carry hydrogen into the cell, perhaps because of a blockage created by corrosion in the tubes.

The situation required prompt action. If the water continued to accumulate, it might flood neighboring chambers, creating a potentially unstable mix that could rip the spacecraft apart by setting off a series of explosions. To forestall such a calamity, controllers ordered the astronauts to shut off the flow of any fresh oxygen or hydrogen to the cell. Then the cell was switched back on, letting it produce electricity until, as Hutchinson explained, "we literally ran it out of juice," and it became "inert and safe."

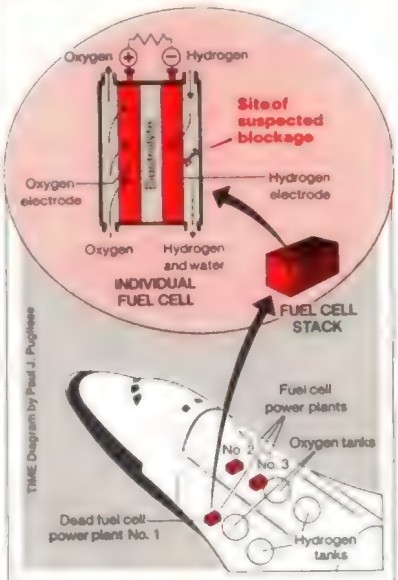
However, Houston engineers still faced a major decision. Special guidelines are established for every flight to cope with just such emergencies. If only two fuel cells are operating, they recommend cutting short the journey to what NASA calls a "minimum mission." In this case, the flight was to last only 54 hr., roughly the duration of *Columbia's* first flight last April. Explained a spokesman: "You no longer have triple redundancy. If you're up there and a second [cell] goes, then you're in a really critical situation. You come down—and you come down fast."

Initially at least, the controllers considered ignoring the book, since the two other cells were faithfully churning out electricity and water. Together they were delivering 16 kw, enough to light up as many as 260 household lamps and easily adequate to supply the ship's demands during re-entry into the atmosphere. But caution prevailed. One additional factor: the weather outlook for Edwards Air Force Base early this week was poor. Rainfall could easily turn the dusty lakebed into a quagmire, making it all but impossible to put down safely there.

News of the decision was radioed up to *Columbia* by one of NASA's first woman astronauts. At the time, Sally Ride, 30, was sitting in as Mission Control's "capsule communicator," a job dating back to the early days of the space program when it was decided that it would be best if only astronauts talked to one another. In her best Right Stuff tones, Capcom Ride announced she had "bad news" for *Columbia:* "We're flying a minimum mission, and you'll be coming home tomorrow." Replied Engle: "O.K., that's not so good."

Everyone in NASA could sympathize with Engle. Even before the oil filters clogged on the auxiliary power unit, heat-shielding tiles on the fuselage were loosened by a fuel spill.

The final countdown was started last Tuesday. But as the clock ticked, gremlins struck again. A bit of black-box electronic wizardry, a decoding unit that goes by a jawbreaking name, multiplexer-demultiplexer, mysteriously failed. Without it, neither *Columbia's* on-board computers nor those on the ground would be able to understand temperature, pressure and other vital readings from sensors scattered throughout the ship. Workers promptly made a substitution, but the new black box failed as well. NASA thereupon resorted to some cross-country cannibalism. It snatched two comparable units from a second orbiter, *Challenger,* still under construction at Rockwell International's plant in Palmdale, Calif., and flew the components to Florida. As workmen unloaded the precious parcel, one whispered, "Don't drop it. Don't drop it." The substitute box worked fine, though by this time lift-off had been set back 2½ hr.



The fuel cell that cut short *Columbia's* mission works somewhat like a battery. Oxygen and hydrogen circulate separately through tubes and react electrochemically to produce water and electrical energy. What went wrong is not yet clear, but NASA engineers speculate that some tubes became blocked, causing a potentially explosive backup of chemicals.

Meanwhile, the astronauts had returned from Houston, landing in their small T-38 jet trainers. "We are really going to go," Navy Captain Truly promised reporters and photographers waiting on the tarmac. But first there was a surprise prelaunch breakfast party for Truly, who turned 44 on the day of the launch. Said the birthday boy, a youthful-looking grandfather: "I'm going to have the biggest birthday candle I ever had."

That proved no exaggeration. Riding twin plumes of yellow flame from its two solid-fuel rockets, *Columbia* leaped off the pad, piercing two fluffy white clouds in the azure Florida skies, rolling over so that the orbiter was slung under its big external fuel tank like a baby whale attached to its mother. Then it angled off into the heavens. "Great ride," shouted Engle, who piloted Air Force X-15 rocket ships to the edge of space in the 1960s. Normally unflappable, Engle registered a pulse rate of up to 120 beats per minute. Truly's went no higher than 94 beats.

Precisely on schedule, *Columbia* fired off its two solid-fuel booster rockets. Still spewing flames, the boosters began their plunge into the Atlantic. It was days before they could be retrieved by chase ships for reuse. One improvement over the last shot: this time there were no Soviet "trawlers" nosing around the expended rockets. Ten minutes after they left the pad, Engle and Truly were circling the earth at nearly 17,000 miles an hour. Said Truly: "You wouldn't believe this; this is fun."

The fun came to a gloriously happy end. On Saturday morning, Mission Control ordered *Columbia's* cargo bay closed, a must if the spacecraft was to survive the glowing heat of re-entry. Making their final pass over the Indian Ocean, Engle and Truly edged the ship around so its orbital maneuvering engines faced forward. For 2 min. 47 sec. the rockets burned at maximum power, slowing the ship so it could begin its weaving, belly-up, computer-controlled descent. As *Columbia* grew red hot from the atmospheric friction, a cloud of heated, electrified gases enveloped the ship, blocking all communications.

Sixteen min. later, after emerging from the blackout, Engle gave his machine the test pilot's ultimate accolade: "The bird is real solid. A good solid bird all the way." From Mission Control came a relieved reply: "Well, we love hearin' it." As Engle's bird approached California's Big Sur country, it was flying faster than a bullet—at ten times the speed of sound—and dropping like a rock, 20 times faster than a similar-size DC-9 jet on landing. Finally, it came out of the blue, a tiny, glistening white speck that wrote a special signature in the sky—intermittent puffs of vapor created by the purging of excess fuel.

Engle, acting on an impulse no test pilot could resist—with Houston's O.K., of course—flew *Columbia* himself during the final turn, rather than letting the computer do it. With a fighter-like maneuver, he put the ship right on line with Runway 23, the same one used on the last trip. After the troubled flight, the smooth touchdown was joyfully anticlimactic. *Columbia* slid to earth more gently than many a commercial jet. Cheers rose up from the 250,000 people gathered on the desert floor for the homecoming, and controllers in Houston lit up their traditional victory cigars. It seemed that *Columbia* might yet become NASA's solid-gold Cadillac of space. —***By Frederic Golden. Reported by Jerry Hannifin/Cape Canaveral and Sam Allis/Houston***

Hoist by His Own Quotes

David Stockman learns about reporters—the hard way

President Reagan was making his way out of the White House press room after concluding his fifth news conference last Tuesday when CBS White House Correspondent Lesley Stahl held up a copy of the December issue of the *Atlantic Monthly* (circ. 335,800). David Stockman, Director of the President's Office of Management and Budget, was on the cover. Had the President, asked Stahl, seen Stockman's critique of his economic program in the magazine? The President, taken aback, replied that he would ask Stockman what he had said. He did. And the furor that followed (*see* NATION) provided a closeup look at the symbiotic relationship between those unnamed government officials quoted every day on the front pages of newspapers and the reporters who cover them.

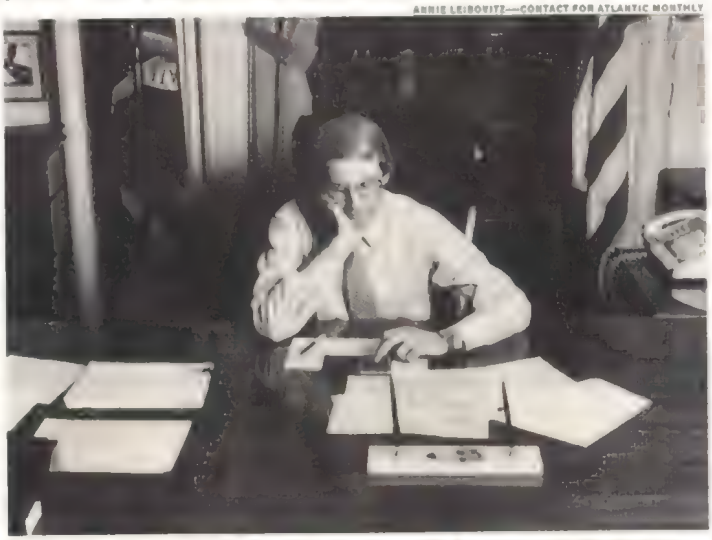
Ironically titled "The Education of David Stockman," the 24-page *Atlantic* article by Washington *Post* Assistant Managing Editor William Greider, 45, was a painstaking, often sympathetic portrait of a tenacious ideologue disillusioned by the hard realities of politics, both inside the Oval Office and on Capitol Hill. Stockman's candidly pessimistic observations were made during 18 interviews between December 1980 and August 1981. Stockman's first reaction to the firestorm of criticism that greeted the Greider story was a flat denial—not of the views he is quoted as expressing, but of Greider's right to quote him. Said he: "Do people think I'm a dope? Does anybody think I'm stupid enough to say things like that with my name attached to it?" Greider was incredulous: "Nowhere in our conversations did he ever say a word about 'This is all off the record,' or 'You're not going to quote me, right?' " The journalist noted that the interviews had been taped and that Stockman had posed for an *Atlantic* photographer last month. Stockman soon softened his objections to the piece, explaining that there had been a "misunderstanding" but "not an act of bad faith" on either side.

Greider, a respected 13-year veteran of the *Post* and a friend of Stockman's for about four years, said he had won Stockman's cooperation by agreeing in advance that the interviews would not be published in the newspaper. Instead, a long magazine story would be produced several months later. *Post* Managing Editor Howard Simons, who clears all freelance work by his staff, approved the project. Says Greider: "Nobody will talk with such consistency and intimacy for a daily newspaper."

William Greider

These ground rules are not uncommon in Washington. Reporters are always eager to find out what the Government is really up to. Public officials are often just as eager to feed the press their side of things, either to promote a pet project or ensure their place in history. Indeed, Stockman had granted similar briefings to several other journalists. One danger in these arrangements is that reporters might repay such helpful sources with flattering coverage. Another is that journalists might find themselves reporting public statements that are at odds with what they have been told in private.

ANNIE LEIBOVITZ—CONTACT FOR ATLANTIC MONTHLY



Stockman as he appeared in the *Atlantic*: alone with the numbers in Washington

"Nobody will talk with such consistency and intimacy for a daily newspaper."

In the *Post's* case, both Greider and Executive Editor Benjamin Bradlee say that the background sessions with Stockman helped guide the newspaper's coverage of Reagan's economic program. Says Greider: "If you went back you would see a lot of *Post* stories reflecting my conversations with Stockman." To bolster this claim, an article in last Friday's *Post* by Robert G. Kaiser listed four stories that had included information supplied by Stockman. In two of them, it was attributed to him; in the others, it was attributed to a White House official. Bradlee said the *Post* was not embarrassed that one of its staffers made headlines with a story in another publication. "You're confusing form with substance," he said. "The substance has been in the Washington *Post*."

But many editors feel that the *Post* squandered a dramatic scoop and possibly misled its readers by not revealing that the architect of the Reagan economic plan did not believe in his own program. Says Chicago *Sun-Times* Publisher James Hoge: "This advance promise of anonymity for such a long period of time, at such a critical time, really ratchets the issue of unnamed sources up a couple of notches. Once they saw what Stockman was telling Greider, why didn't they assign some economics people to do that story?" Adds Los Angeles *Times* Editor William Thomas: "Greider was walking a pretty thin line. If he were working for me, I would want those quotes, those contexts and Stockman's identity in my newspaper."

Up in Boston, the capital flap took *Atlantic* Editor William Whitworth, 44, by surprise. He did not see the Stockman story as a political blockbuster, rather more as a "good piece of reporting that explains something about how this budget business works that I have not seen explained in quite the same way." The magazine's owner, Real Estate Magnate Mortimer Zuckerman, 44, who bought the financially troubled 124-year-old literary journal almost two years ago, immediately rushed 500 more copies to Senators, Congressmen and the Washington press, and raised newsstand distribution from 70,000 to 100,000 copies.

The Stockman article is the latest in a series of major articles that Whitworth has secured since coming aboard six months ago. Excerpts from Robert Caro's book on Lyndon Johnson prompted a flurry of news stories. Zuckerman expects a similar reaction to two selections from Garry Wills' forthcoming book, *The Kennedy Imprisonment*, an analysis of John Kennedy's presidency, to run in the January and February issues. Later in the year, the *Atlantic* will publish parts of Reporter Seymour Hersh's book on Henry Kissinger. The magazine's editors insist that their primary focus remains in-depth nonfiction and literate fiction. Says Zuckerman: "We really are not pursuing breaking news—but we don't mind making it."

—By Janice Castro. Reported by Maureen Dowd/Washington and Barry Hillenbrand/Boston

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Newswatch/Thomas Griffith

Mr. Optimism Meets the Skeptical Fourth Estate

Once an actor becomes successful, he naturally looks for the kind of roles that suit him best. When an actor is President, he looks for a way of getting across to the public best. Obviously, facing sharp reportorial questioning isn't Ronald Reagan's favorite way.

He only calls a press conference when he has to, and last week he felt he had to. Too much has been building up. He might ignore a querulous press corps, but not the beginnings of a national feeling that a number of things were coming unstuck. His press conference was only his fifth as President, fewer than any other President in the past 50 years. Of course, such infrequency gives the Washington press corps fewer self-important opportunities to appear on national TV as vigilant public defenders. But some among them also extol press conferences as an inspired device to require more frequent public accounting by the President. The public, caring less, may feel it sees enough of the President on the evening news, and in this belief would be wrong.

UPI

The President in the East Room

Reagan is the most successful President yet in the adroit use of "photo opportunities." (Some White House photographers, however, are getting complaints from their editors, the New York *Times* reports, about too many unvaryingly smiling pictures of Reagan even when he is announcing budget cuts.) At a photo opportunity, the setting is always favorable to him: the President striding toward his limo, or about to talk to an important guest, generously pausing to answer a reporter's question. A wave, a smile, a one-liner: just what the networks need. The great thing about such scenes is that though Reagan may have memorized what he wants to say to a question he knows will be asked, the line can be charitably judged as offhand in phrasing and thought, something that isn't really a formal statement of policy. And therefore frustrating, not alone to reporters, but to anyone who hopes for a clearer reading of the President's mind.

Now, having to retreat from his promise of a balanced budget by 1984, finding the recession worse than his economists had anticipated, and being unable to silence his quarreling foreign policy makers, offhandedness was not enough. Among columnists, critics were getting sharper and sympathizers uneasy, often a portent of troubles to come. Anthony Lewis called the conduct of foreign policy "a national joke"; William Safire regretfully accused Reagan of losing touch with reality. Like many survivors of Nixon's Washington, Safire was concerned about a tendency, new to Reagan but not to Presidents in general, to blame the press when in trouble. Reagan is remarkably free of sustained vendettas, yet his one-liner about the Haig flap was uncomfortably reminiscent of the bad old days: "Whoever wrote that report not only was blowing smoke, they were doing a disservice to this country."

The problem of the press has been very much on the President's mind of late. At Haig's urging, Reagan even telephoned Columnist Jack Anderson from Camp David to persuade him to withdraw a report that the Secretary of State had "one foot on a banana peel." At times Reagan denied there was dissension in his Administration ("Sometimes I wonder if there is such a thing as an unnamed source"). But of course it was Haig himself, and not a reporter, who said Haig had been subjected to nine months of "guerrilla warfare" from inside the White House. Frustrated by the story, Reagan told reporters: "I could appeal to your patriotism." At his press conference, he lamented that sometimes "the District of Columbia is one gigantic ear" and added: "I think it behooves all of us to recognize that every word that is uttered here in Washington winds up, by way of ambassadors and embassies, in all the other countries of the world. And we should reflect on whether it's going to aid in what we're trying to do in bringing peace to trouble spots like the Middle East . . . or whether it's going to set us back." (What is said in Washington does quickly reach other capitals, but not because ambassadors simply pass on what appears in the papers; they keep their own close watch on government and make their own assessments.)

In strong criticism from a sympathetic supporter, Columnist Safire examined three reasons why Reagan should, in Safire's words, try to deny reality: "The first is that he is the legendary good schnook, who reads inflammatory lines unaware of their content . . . The second is that he is assuming the shiftiness of office and is now willing to mislead the public by blaming the press . . . The third—and the likelihood—is that he is falling into the trap of believing what he wishes were true."

Safire's third thesis was much in evidence at the press conference. There the President sought to deflect his questioners while showing himself a man of peace and unswervable on the economy. The questioners were polite but persistent. When Reagan said that his remarks to a group of editors on the possibility of nuclear war had been taken out of context by those not present at the lunch, he seemed startled when Bill Plante of CBS suggested otherwise: "Mr. President, in your exchange with the editors—I happen to have the transcript—I'd like to read what you said." That was not Reagan's only uncomfortable moment. A press corps professionally conditioned never to clap or boo gave way to spontaneous laughter when Reagan asserted: "There is no animus, personal animus, and there is no bickering or backstabbing going on. We're a very happy group."

It is not Reagan's press conference style to reel off impressive-sounding statistics as did Kennedy, Nixon and Carter (who often sounded like schoolboys crammed for a test with answers they would quickly forget). Reagan sells his programs with simplifications, homilies and examples. And optimism: "I always tend to be optimistic," he said at one point. He proved his optimism when a question arose about "disarray in foreign policy" (a newly revived Washington cliché that was born in the Carter days). Said the President: "I think our accomplishments have been rather astounding . . . our allies—I don't think we've ever had a stronger relationship than we have with them in Europe." In meetings with heads of states "in every instance . . . they have responded with statements to the effect that they had better relations than they've ever had before with our country." Was this just seller's enthusiasm, or in spite of all evidence to the contrary, did Reagan really believe it? Had he reached such conclusions as a result of his genuine hospitality as host along with his known reluctance to get into contentious details? An astonishing insight into Reagan's attitude, this was the most disquieting and lasting impression of his fifth press conference. An insight like this never emerges from a photo opportunity.

EARLY TIMES.
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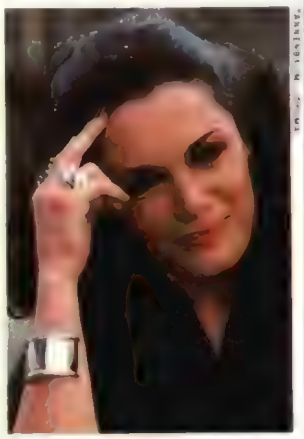
People

There was a time when there were so many **Connie Francis** hits, such as *Who's Sorry Now?* and *Where the Boys Are*, that the singer had eleven million-seller records by the age of 23. When her popularity waned, life became an endless road trip of one-nighters. Then, after a performance in Westbury, N.Y., seven years ago, Francis was raped in her hotel room at knifepoint. She tumbled into a deep and lengthy depression and was unable to perform until last week, when she returned to the same Westbury stage and a standing ovation. Said Francis, 42: "I'm a gutsy girl and once I've done it in Westbury, I can do it anywhere."

■

"In public, her appearance in photographs and motion pictures is based on tantalizing allure and a veiled hint of eroticism." Such was the opinion last week of New York Supreme Court Judge **Edward Greenfield,** 58, on Actress **Brooke Shields,** 16. At the end of a four-day trial, Greenfield ruled that Brooke and her mother, **Teri Shields,** could not halt further publication of nude photographs of Brooke taken six years ago by Photographer **Garry Gross.** Published in a book called *Sugar and Spice*, the shots show Brooke standing demurely in a bathtub. The judge called Mama Teri "exploitative," and added: "You had a role in choosing her films. You chose *Endless Love*, not *Rebecca of Sunnybrook Farm*."



Francis: her own woman again

■

For her two-week fill-in stint this December for the vacationing **Lauren Bacall,** 57, in Broadway's *Woman of the Year*, **Raquel Welch,** 41, has been going through a grueling monthlong song-and-dance rehearsal. Though Welch has displayed her musical and other talents for the Las Vegas crowd, she has never faced the jaded playgoers of Broadway. Says Welch: "I've always had a dread of the New York critics, but they can't close me because I'm closing in two weeks anyway."

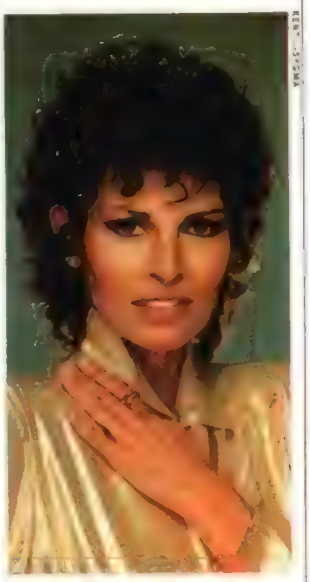
■

The occasion was his first visit to the White House since he was shot last March during the attempt on **President Reagan's** life. Wheeled into the West Wing for the reopening of the renovated press room, Press Secretary **James Brady,** 41, gave a cheerful thumbs-up sign to the crowd of some 200 White House reporters, who gave him a welcoming ovation. Brady should be home from the hospital by Thanksgiving, and although he is still partially paralyzed on his left side, he will eventually be able to walk with a cane. A full recovery is still uncertain. Even so, the press secretary's impish wit was much in evidence. Joined for the ribbon-cutting in the press room by the President and First Lady **Nancy Reagan,** Brady smiled as the President told reporters, "This room is built over a swimming pool. It isn't true, however, that the floor has been hinged." Riposted Brady, who has always enjoyed a friendly joust with the press: "Oh, yes, it is."

—By E. Graydon Carter

Brady with the Reagans at reopening of the White House press room

Brooke Shields being readied by a makeup man before one of her modeling sessions



Welch: a *Woman* of her own

On the Record

Donald Regan, 62, Treasury Secretary, after being asked to count from one to 25 and back again eight times while a faulty microphone was checked during a taping of ABC's *Nightline*: "You know, I had to take this same test to become Secretary of the Treasury."

George J. Callcott, 52, professor of history at the University of Maryland, on why the personal papers of former Vice President Spiro T. Agnew, donated in 1974, have not been catalogued: "A majority of it is historic junk."

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Exit Smutcoms, Enter Sweetcoms

TV's new children: sugar or sass and nothing very nice

Twice upon a time there were terrific child actors: Margaret O'Brien in '40s movies and Billy Gray on '50s TV. O'Brien's sad-eyed face, a Keane portrait with angst, told moviegoers that even if Phyllis Thaxter were your mother or Judy Garland your big sister, childhood could be an unending melotrauma of nightmares and broken ideals. Gray was the winsome lad, then the sturdy teen-ager of *Father Knows Best;* he navigated adolescence like a middle-class Huck Finn. O'Brien and Gray were natural, winning, resourceful actors who took both their craft and their function as role models seriously. Their like has not been seen since—and, sibling, do we need them now!

The hollow triumph of right-wing moralists over timid network moguls has been to replace women in tight sweaters with aren't-they-adorable children. There goes the smutcom: here comes the sweetcom. Few tears will be shed over the demise of the jiggle-and-snigger shows. But even at their worst they suggested nothing more pernicious than that men do make passes at girls in Jordaches. The two forms of sweetcoms, the noble and the naughty, are deadlier. They announce that children are either sugar or sass—dewy-souled twerps or stunted comedians—and that they must set the tone for domestic life. Hence, parents must go with the flow: act as dispensers of homilies or as stoic butts for the resident insult comic.

The American family has weathered the Bunkers and the Louds. It has endured the departures of sweet Kristy McNichol and, after this season, *Little House's* Melissa Gilbert, and kept another charmer, Marilyn Jones of ABC's upcoming series *King's Crossing*, on hold. Can it survive the child as cult object? Now that President Reagan is calling for a return to traditional values, television families should discipline their own children. A few home remedies:

Burly Merlin Olsen as *Father Murphy*

Randall and Kurtz in *Love, Sidney*

Hughes and Brandon in *Mr. Merlin*

Designer Hair Shirts. Every week on *Little House on the Prairie* (NBC, Mondays at 8 p.m. E.S.T.) something new visits the Ingalls home: plague, disease, blindness and enough orphans to stock every *Annie* road company. For eight years the three Ingalls children have proved that with the right kind of adversity and a father like Michael Landon, you can go in there a youngster and come out a star.

Bed Without Supper. Not everything can be blamed on Gary Coleman. The sassy black kid—the slick-speaking bro who scores points off the ofay—goes back to the *Good Times* of the mid-'70s. But it was Coleman, on *Diff'rent Strokes* (NBC, Thursdays at 9 p.m.), who parlayed his cheekiness into stardom. And now a horde of white child actors have co-opted the game. It must be stopped.

Supper Without Bed. Producer-Writer Michael Landon has proved himself a man with a mission. In *Little House*, a TV movie and now *Father Murphy* (NBC, Tuesdays at 8 p.m.), he has persistently dramatized one theme: children's fear of bed-wetting. *Father Murphy*, which disposed of this problem in the first episode, provides a home for the frontier orphans who could not fit into *Little House* but are nonetheless aggressively wonderful.

Two Weeks at Don Rickles' Summer Camp. In *Gimme a Break* (NBC, Thursdays at 9:30 p.m.), Lara Jill Miller, 14, proclaims, to laughter and applause from the studio audience: "I hate dresses. They show off your boobs." Lara, a midget Sophie Tucker in corduroys, seems destined to head her own Vegas lounge act. So surrender: send her to Rickles' camp and leave her there.

A Semester at Dotheboys Hall. Wackford Squeers, the scurvy headmaster from Dickens' *Nicholas Nickleby*, has trouble with enrollment—his students keep starving on him. He could use Clark Brandon, who plays high school apprentice to Barnard Hughes' *Mr. Merlin* (CBS, Wednesdays at 8 p.m.). Brandon is a comely lad—in the androgynous, Los Angelized tradition of former teen throbs like David Cassidy—but his character lacks character. Squeers' spartan regimen and unspared rod could provide it.

Better Lines. *Love, Sidney* (NBC, Wednesdays at 9:30 p.m.) is, by default, sweetcom's class act. Tony Randall, the John Gielgud of series TV, has brought his deft good humor to the role of a cranky bachelor of no particular sexual persuasion. Swoosie Kurtz, as Sidney's live-in friend, combines the charm of Sally Field with the comic timing of Soupy Sales—and somehow looks like both. Together they demonstrate that even treacle pudding can pack some savor. Only Kaleena Kiff, 7, is a problem. She is not unbearable; she is not a toy saint; she is just not there. Perhaps it is unfair to ask a child to carry the weight of a sitcom—unless he weighs 200 lbs., like the newborn creature played by Jonathan Winters on *Mork and Mindy* (ABC, Thursdays at 8 p.m.).

Or perhaps sterner measures are demanded. Try this, America: every child should be sent to bed without watching TV—or appearing on it. —*By Richard Corliss*

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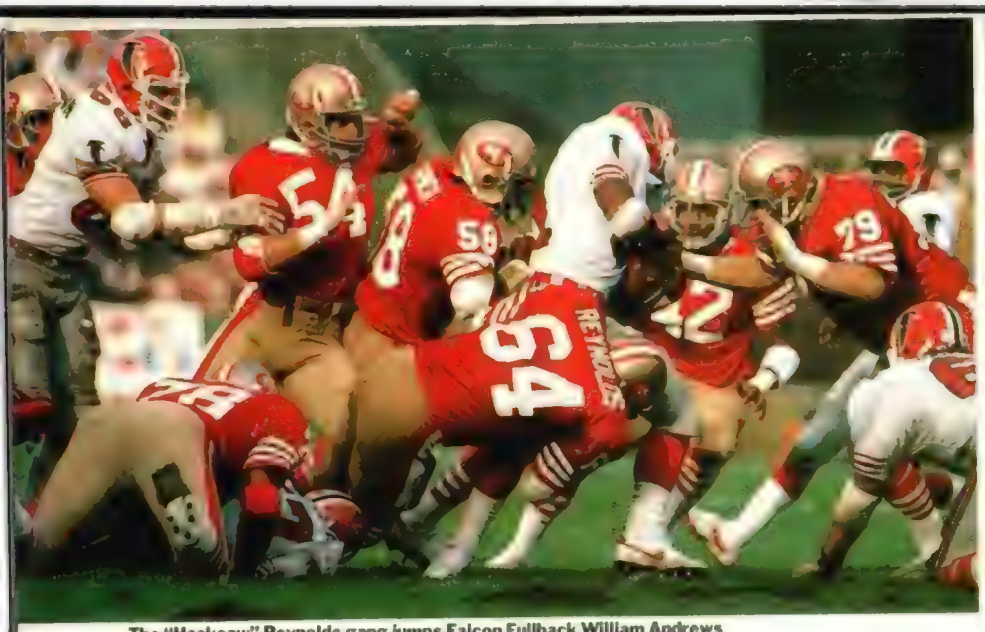


The "Hacksaw" Reynolds gang jumps Falcon Fullback William Andrews

Dean goes quarterback hunting

Sport

New Believers on the Coast

For the 49ers, Walsh's best offense is a good defense

These days O.J. Simpson, who grew up and grew old with the San Francisco 49ers (unfortunately, U.S.C. and the Buffalo Bills came in for all the good stuff in between), is sounding like the boy who cheered the 49ers in the '50s, not the man who left the ruins of his team for retirement two years ago. "I don't know about depth," says O.J., "but the 49ers have championship-quality front-line players. I mean it. I'm saying the first 25, 26 guys are the best in football. Can you believe it? My team."

On both sides of the bay, San Francisco is "my team" again, and nobody around the National Football League can believe it. After winning six games and losing ten last season (two and 14 for the two years before that), the 49ers suddenly are running away with the Western Division of the National Conference. Rather, they are passing, and defending against the pass.

A team completely without logic or losses for two months, San Francisco is a defensive power under an offensive coach, a sensitive inventor named Bill Walsh. The defense is founded on two known mercenaries (ex-Charger Fred Dean and ex-Ram Jack Reynolds), who argued their way out of other towns over money and who now "lecture" on motivation in San Francisco, and three unknown rookies (Cornermen Ronnie Lott and Eric Wright, and Safety Carlton Williamson). When was the last time anyone heard of an all-rookie secondary in the N.F.L.?

Or a Notre Dame quarterback who was winning as a pro (Joe Montana)? Or a play in which the quarterback dashes off the field at the last instant and leaves the wide receiver to take the snap from center? Montana and Freddie Solomon pulled that one. Solomon rolled out for seven yards, and the 49ers rolled on to a 17-14 victory over the Atlanta Falcons, the seventh straight 49ers victory, pushing their division lead to three games with only a third of the season left.

"There isn't anything flippant about our offense," says Walsh, although four non-quarterbacks have passed or threatened to pass this year. "We don't have a gifted all-around offense: our longest run is 23 yards on the last play of a half. We have to be resourceful and fully dimensional." And what does fully dimensional mean? "There is basic, rock-solid, block-and-tackle football. Then there is crazy, circus-play, flea-flicker football. We fit somewhere in between."

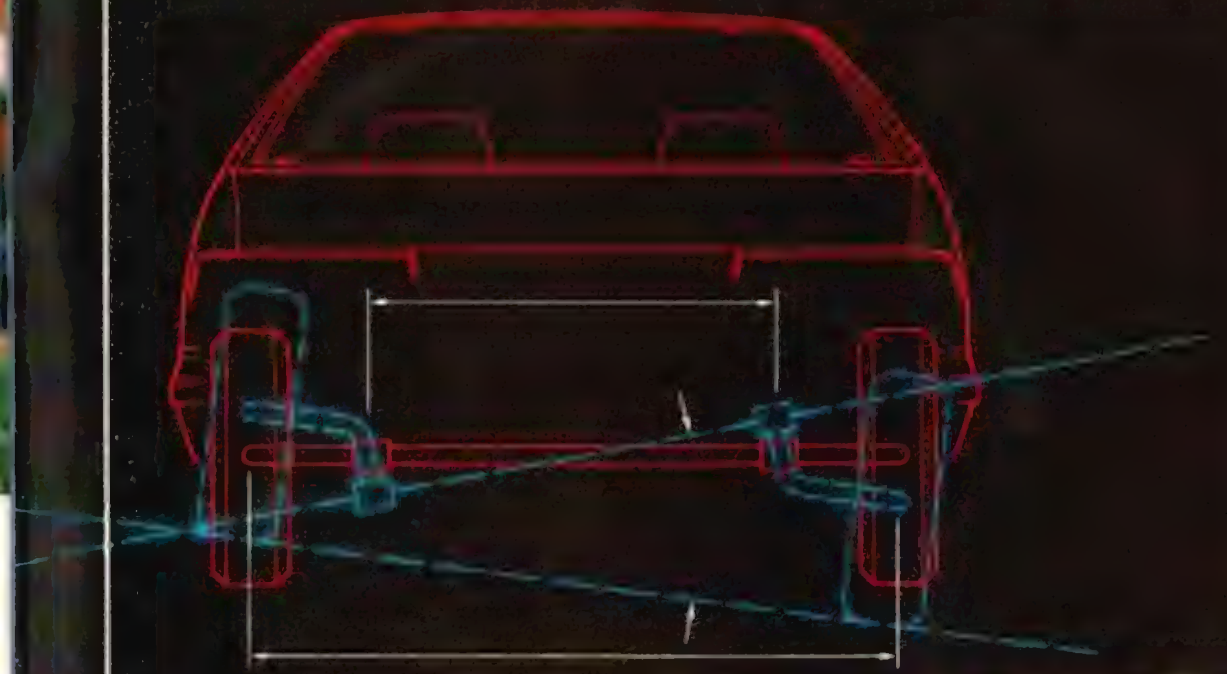
Montana and Walsh: "fully dimensional"

Where Walsh, 49, fits among coaches is not easy to tell, either. His pedigree is complicated. Walsh is not just a pup out of Paul Brown, as people say. He is by Brown out of Al Davis with a touch of Sid Gillman (since Davis is really Gillman taken to the *n*th degree). "Al gave me the taste for offense," Walsh says of the year (1966) he assisted the evil genius of the Oakland Raiders. "He opened vistas."

Then for eight seasons after that, Walsh sketched vistas and drew plays for Brown's Cincinnati Bengals. "The coaching atmosphere under Paul was almost clinical. Let's say, you were assured of the players' absolute attention." Brown put more than a chill in the players. He put the classroom into pro football. Still, his best students (Don Shula, Chuck Noll, Walsh), all have been different. No great coach is like any other, really.

After the Bengals, continues Walsh, "I coordinated the offense in San Diego one year for Tommy Prothro, with even more freedom to express myself." Then he turned around, and he was middle-aged. Whether or not it blew in from Brown, sore at losing his *X*s-and-*O*s man, Walsh felt a definite coolness in the marketplace. "I was 45 before I even had an interview for a head coaching job in the N.F.L." He could hear teams thinking: "Why hasn't he been a head coach before now? What's the flaw?" And whispering: "A good technician, not a head coach." To be somebody's head coach, not to mention his own man, Walsh went back to college football, to Stanford, where he had assisted John Ralston in the mid-'60s.

His way with quarterbacks had always been his most obvious gift. In Walsh's time



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There's vodka, and then there's Smirnoff.

with the Bengals. Ken Anderson was the top-rated passer in the league twice, and Greg Cook once. At San Diego he made Dan Fouts one of the best passers in the league. All of his quarterbacks speak warmly and a little wondrously of Walsh. At Stanford, he touched Guy Benjamin and Steve Dils. They moved to the head of the N.C.A.A. passing charts, and Stanford won bowl games, and Walsh won coaching awards, and he was happy, except . . .

"Why do I need the N.F.L.?" he asked himself when the 49ers called two years ago. "Stanford is the ideal atmosphere for coaching football—the most brilliant people, one of the honest, legitimate programs. There is dignity to it, playing against machines and beating them." All the same, Walsh did need to be a head coach in the N.F.L.

"We're going to tactically approach offense while building defense," proclaimed the new coach and general manager. Probably nobody understood. But that is exactly what Walsh has been doing.

It is advisable in pro football to sneak new men into the secondary one at a time, not to change three of the four spots in one year. But Walsh has been in a hurry. "The moment we drafted the three, we released our veteran starters," he says. "That's Paul Brown too: don't vacillate."

At 34, Veteran Linebacker Reynolds (a.k.a. "Hacksaw") has not allowed the younger players to get carried away. "Play with emotion, but don't show it outwardly," he lectured in the clubhouse after the Falcon game. "Stay reserved." This from a man who, when he was in college at Tennessee, reacted to a loss to Mississippi by hacksawing a 1953 Chevy in half.

Fred Dean dissects quarterbacks instead. "He has set a whole new standard here," says Chuck Studley, the defensive coordinator. "If you don't hurry to the quarterback now, Dean will be there waiting for you." Not since Alan Page's M.V.P. year for Minnesota in 1971 has one lineman's impact on the league seemed so profound. Dean is a seven-year veteran, merely 230 lbs., but brutally strong, and quick. He arrived in San Francisco in the season's sixth week, when the 49ers dispatched Dallas (45-14) and then in quick order, two other Super Bowl teams, Los Angeles (20-17) and Pittsburgh (17-14).

"It's going to get harder on us, but we're going to get better," Walsh says. The thought of teams gunning for the 49ers still seems a bit strange, but it does not worry Walsh. How far does he think they can go this year? Walsh smiles and offers the most unlikely answer. "I haven't allowed myself to think."

—By Tom Callahan

"Things Were Very, Very Bad"

Double Eagle V over Mount Fuji

By the flight of a silvery balloon, man not only was transported but moved again last week. *Double Eagle V*, which lifted off and blew away from Japan on Tuesday, came down nearly four days later in a rainstorm near the little mountain town of Covelo, Calif. The four adventurers in the gondola—Ben Abruzzo, 51, Larry Newman, 34, Ron Clark, 41 (all of Albuquerque), and Rocky Aoki, 43, Japanese-born owner of the Benihana restaurant chain—drank champagne toasts to the first balloon to make it across the Pacific Ocean and then settled down to wait overnight for rescue.

Three years ago, Captain Abruzzo had piloted *Double Eagle II* across the Atlantic, a pioneering trip that was half as far and twice as calm. This time, he said, "things were very, very bad." The 26-story helium balloon leaked throughout the 5,070-mile journey. Ice built up on its thin skin, and thunderstorms wildly buffeted the craft. Losing altitude prematurely, the crew worried about not making landfall. In the crash landing, Aoki was briefly knocked unconscious. But they were down, no one was seriously hurt, and Abruzzo was asked once again why men do such things. "For the adventure, the achievement, the challenge," he said. "You do it for the horizons that are before you and to keep moving forward." After the world's longest balloon flight, what horizon is now before him? Abruzzo and crew want to balloon all the way around the world.

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Comeback by a Poor Relation

Modern British music is getting a well-deserved hearing

British music has long been treated like a poor relation in the world's concert halls—the sick man of Europe. German, Italian, French and Russian compositions make up the bulk of the standard repertory. But British music—with a rich tradition stretching from Tudor church composers like William Byrd to innovative moderns like Peter Maxwell Davies—is patronized as a national school, a sort of cultural Toby-jug collection, of interest chiefly to natives and diehard Anglophiles elsewhere.

This is a misapprehension on the order of considering Picasso merely a Spanish painter, or Joyce a parochial Irish Catholic writer. The best British composers speak an international language—inflected, to be sure, by characteristic clipped accents and at times marked by a stiff-upper-lip emotional restraint—as surely as do the German Beethoven, the Italian Verdi, the Frenchman Debussy or the Russian Tchaikovsky: men who transcended the boundaries of their birth and made fellow countrymen out of the world's citizens.

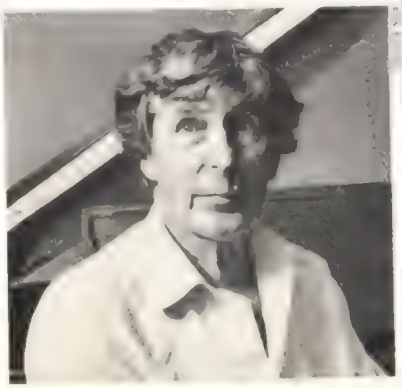
Edward Elgar

The two eloquent symphonies of Sir Edward Elgar, for example, are works whose depth of expression rivals Brahms' more famous essays in the form. Ralph Vaughan Williams' *Fantasia on a Theme by Thomas Tallis*, the finest string-orchestra piece of the century, reaches back for inspiration to the English Renaissance, achieving a spiritual serenity rare in this age of anxiety. Gustav Holst's *The Planets* is a superbly effective orchestral showpiece. And two of Benjamin Britten's major operas, *Peter Grimes* and *Death in Venice*, belong on any list of the most important modern music dramas.

In the U.S., despite the popularity of a few pieces, British music has never been a vital part of the orchestral scene. One reason: music directors of U.S. orchestras tend to be European born and steeped in the Continental tradition that calls for plenty of the Beethoven and Brahms symphonies as a musical diet for all seasons. Another is that American orchestras, when they venture beyond the classics, feel an obligation to home-grown composers. Further, they may be predisposed against British music on account of its sometimes folkish nature, a trait that does not hinder appreciation of Bartók or Stravinsky, both of whom made extensive use of folk music.

Fortunately there are signs that attitudes are changing. In September the San Francisco Symphony organized a week-long festival devoted to the music of Sir Michael Tippett, 76, which included the U.S. premieres of the composer's closely argued, Beethoven-quoting *Fourth String Quartet* and his *Triple Concerto* for violin, viola and cello, an idiosyncratic but convincing mixture of cacophony and pastoral lyricism. These are two significant works that affirm Tippett's standing, since the 1976 death of Britten, as England's leading composer. Later this month, the New York Philharmonic will offer an all-Britten program that includes the U.S. premiere of his *The Young Apollo*. Most extensive of all is the Pittsburgh Symphony Orchestra's British Festival, which began two weeks ago and continues in performances this week in Pittsburgh, New York City and Washington, D.C. Under Music Director André Previn, 52, who spent eleven years as conductor of the London Symphony Orchestra, British music from Elgar to Oliver Knussen (born 1952) is getting a long-overdue hearing—and proving that, at its best, it is the equal of any.

Benjamin Britten: important music dramas



Michael Tippett: a closely argued quartet

Making countrymen of the world's citizens.

Among the works featured on the Pittsburgh's programs: Britten's *Les Illuminations*, which can take its place next to such song-cycle masterworks as Berlioz's *Les Nuits d'été* and Mahler's *Des Knaben Wunderhorn;* Vaughan Williams' radiant *Symphony No. 5;* Knussen's accomplished *Third Symphony*, which reveals his mastery of complex modern techniques; and Elgar's brooding, sorrowful *Cello Concerto*, his last great work, a welcome alternative to the inescapable *Cello Concerto* of Dvořák.

"English music since about the turn of the century has interested me since I was a student," says Previn, who feels that English musicians are partly to blame for the neglect of their composers abroad. "It's a question of export," he says. "The English still feel slightly possessive about their music. The artists who play it the most don't seem to travel that much." Previn acknowledges that British music can seem pale and unemotional when compared with the fervid passion of Tchaikovsky, Richard Strauss and Puccini, or the ruminative profundity of Bach, Brahms and Bruckner. Yet he maintains, "The expression is there. You have to stand back from it a little and ask for half-reticent playing from the orchestra. In something like the 'Nimrod' variation in Elgar's *'Enigma,'* you have to just let it build by itself. You can't force it."

The vitality of British composing in the 20th century is one of music's great comeback stories. After the death of Henry Purcell in 1695, Britain waited two centuries, until the emergence of Elgar, for its next native-born master. In between came imitation Handel and ersatz Mendelssohn, as music fell into the hands of well-meaning but pedestrian composers (among them Sir Hubert Parry, Sir Charles Villiers Stanford) who were bent on aping their European betters. Now, with the average orchestra's repertory hopelessly hidebound, British music of the past 100 years provides a largely untapped source of appealing, accessible and accomplished works to complement by now tiring warhorses.

Writing in 1919 of the future of British music, George Bernard Shaw observed that for too long Britain had been content to borrow its music from other countries, without repaying the debt. "If we have to borrow tea from China and pay for it in hardware," wrote Shaw, "we can at least plead that our soil will not produce tea. Now music it *can* produce. It has done it before and can do it again. The stuff is there waiting for a market to make it worth mining." Today the market exists; conductors and concert managers need only get out their picks and shovels. —*By Michael Walsh*

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Rollins as *Ragtime's* hero Coalhouse Walker Jr. and Allen as his doomed bride

Olson and Steenburgen as Father and Mother

One More Sad Song

RAGTIME *Directed by Milos Forman; Screenplay by Michael Weller*

It should have been a silent movie. Facts and faces flicker through E.L. Doctorow's novel with the speed and power of jerky images from a newsreel of the American soul circa 1910. Archetypes are intercut with tintypes; a panorama of mass or class dissolves into a closeup of an agitated bourgeois mind; fable is superimposed on history. And they all run like hell to the D.W. Griffith finish line. Long shot: Harry Houdini performs thrilling escapes, restaging his own birth trauma for a country just then emerging from isolationism into imperialism. Closeup: Emma Goldman, anarchist spellbinder, woos Evelyn Nesbit out of her petticoats and prejudices. Two-shot: Henry Ford and John Pierpont Morgan discuss reincarnation in the Morgan Library. A few chapters later, Coalhouse Walker Jr., a Negro piano player who dares to chart his own destiny as the two plutocrats did theirs, has seized the Morgan Library to avenge an outrage inflicted on his prized Model T. It is a splendid tale with sweeping images and passions, needing no dialogue—just the occasional flash of a newspaper headline and the sound of a ragtime piano, working its funereal strut.

McGovern is daffily dumb

Milos Forman seems to have understood this. The film's first shot focuses on a pair of black hands striding over piano keys, then pulls back to reveal a nickelodeon screen whose newsreel image is closing in on some machinery. Step back for the long shot; move in for the closeup. Distance and involvement, irony and sympathy. Working with Playwright Michael Weller, his collaborator on the 1979 film version of *Hair*, Forman concentrates on one main story and one subplot—Coalhouse Walker's rise to notoriety and Evelyn Nesbit's career as America's first sex goddess—and only glances at or ignores the rest. By taking 155 minutes to tell less than half of Doctorow's 270-page pageant, Forman and Weller have created an impressive but strangely lopsided movie. Call it *Ragged Time*.

To the cadence of Randy Newman's lovely score, the Family takes center stage—a family as all-American as the Smiths in *Meet Me in St. Louis*. Father (James Olson) chats of his business successes; Mother (Mary Steenburgen) presides over the housework with quiet grace; Younger Brother (Brad Dourif) dreams of love with a showgirl. But there is something rancid about this slice of apple pie. The pauses at Sunday dinner are laced with anxiety; the ticking of the grandfather clock sounds like the prelude to an explosion of neurotic energy. The detonator is Coalhouse Walker Jr. (Howard E. Rollins Jr.), a black man whose dignity could be taken or mistaken for arrogance—who, it occurs to Father, "didn't know he was a Negro." Soon enough, that awareness is impressed on him, with tragic results for him, the Family and ragtime New York.

Cagney as the wily police commissioner

Forman, who inherited this project after Robert Altman was removed by Producer Dino De Laurentiis, is an actor's director. In *Ragtime* he has elicited many fine performances: from Olson and Steenburgen, models of rectitude and discreet strength; from Rollins, who carries the film with a heroic charm that sours into fatal righteousness; from Debbie Allen as Walker's doomed love; from Ted Ross and Moses Gunn as two eloquent veterans of injustice who try talking sense and restraint to Coalhouse; and from James Cagney, back on-screen after a 20-year lapse and cool as a leprechaun sphinx in the role of a wily New York City police commissioner. Only Elizabeth McGovern seems out of tune and time. She plays Evelyn Nesbit as the daffily dumb prototype for every bombshell from Marilyn to Bo—cheeks puffed, eyes glazed, tripping through life in a sweet stupor. She weighs the film down before Rollins & Co. have the chance to make it soar.

To dwell on the performances is to admit the ultimate failure of Forman's enterprise. His commitment to the actors allows them the time to bring their characters to quirky behavioral life, but every reaction shot, every unfinished phrase or repeated sentence means that many moments stolen from the Doctorow overview. Forman has taken as gospel the novel's epigraph—Scott Joplin's admonition, "It is never right to play ragtime fast"—reduced a pageant to an anecdote, and sacrificed sweep for nuance. Grateful as one is to have this *Ragtime*, with its many thrilling performances and its spurts of emotional grandeur, one would now like to see the adaptation Altman might have made. And after that, if you please, the silent version.

—*By Richard Corliss*

Field as the reporter in *Absence of Malice*

Lethal Leaks

ABSENCE OF MALICE
Directed by Sidney Pollack
Screenplay by Kurt Luedtke

"Someone with no face and no name is trying to get me. And you're the gofer." The angry speaker is a man named Michael Gallagher. It is his misfortune to be the son and nephew of mobsters and to look as if he might be following in the family tradition under cover of managing an import business on the Miami waterfront. It is an impression that his dress, manner and accent do nothing to correct. The gofer under verbal assault is Megan Carter, and it is her misfortune to be the sort of newspaperperson who believes in first impressions—and second and third ones, when she is led from one to the next by an overly ambitious and overly clever federal task force investigating organized crime.

But, as everyone should know by now, and too few seem to remember, very little in this world ever turns out to be precisely what it seems to be. Michael (Paul Newman) is an independent cuss, all right, but no crook. And Megan (Sally Field) is not so crazily ambitious that she would, just to take a random example, fabricate a story about a child heroin addict in hopes of tugging at a Pulitzer jury's heartstrings. Certainly she would not stoop to selling papers by retailing gossip about an incumbent President's bugging a President-elect's bedroom just before Inauguration. Indeed, throughout the film, as she reports each carefully leaked piece of information about Michael, thereby helping the feds to "squeeze" him into helping their cause, she behaves with perfect moral propriety. The trouble is that the standards by which she lives are inadequate to the complex realities of the world journalists are supposed to describe without fear or favor.

All this is a way of saying that *Absence of Malice* is not what it seems to be either. Over many of its scenes there hangs the jaunty romantic air, half cynical, half idealistic, of an old-fashioned genre film about newspapering—lots of smart cracks, some understated soul searching, plenty of entertaining characters. It is also extremely well acted at every level (one especially wants to single out Bob Balaban as the Government's chief aggressor and Wilford Brimley as its belated voice of conscience), and directed by Sidney Pollack with a sort of crisp but unassuming professionalism that is rarer than it ought to be. Perhaps best of all, the script, by sometime Journalist Kurt Luedtke, who was once part of a Pulitzer-winning investigative team on the Detroit *Free Press*, has a marvelously entertaining intricacy, briskly and believably building, half-inch by half-inch, Michael's outrage over and Megan's entrapment in the plot to get him. When, finally, Michael turns on his tormentors, he does so by concocting a plan that permits him and the audience a revenge that is all the sweeter because it does not involve firearms, brawling or, for that matter, even a raised voice. What it amounts to is a kind of mental and moral jujitsu in which his pursuers' own eagerness is employed to trip them up.

This film's intelligence as entertainment is matched (and never overwhelmed) by the intelligence of its morality. And it is the presence of this latter quality that finally distinguishes it. It is not a blanket condemnation of investigative reporting. It simply says that unspeakable people can use the conventions of unnamed sources and unattributed quotes for ulterior motives, can twist them to make the journalist who thinks he is serving the public good actually serve private (or governmental) ends that are no good. Perhaps most important of all, the picture reminds us that many public actions are motivated by innocent private needs that may only *look* suspicious, which people are entitled to keep to themselves, and that, in any event, journalism may be too hasty an instrument to explore them properly.

At one point, in her blithe confidence that printing all the truth about absolutely everything can do no harm, Megan (who sometimes is made to appear a tad too naive to be believed) causes an unbalanced young woman whom Michael has tried to protect to commit suicide. In that tragedy's aftermath, he says to the reporter: "Couldn't you just see her? Couldn't you stop scribbling, put down your goddam ballpoint and see her?" It is a question all journalists should put to themselves frequently, and we are in this film's debt for raising it. *Absence of Malice* does not invalidate *All the President's Men*. But with entertainment values—and a moral sense—every bit as high as that film's, it observes that there is an underside to journalistic gallantry. —**By Richard Schickel**

Aimless Bust

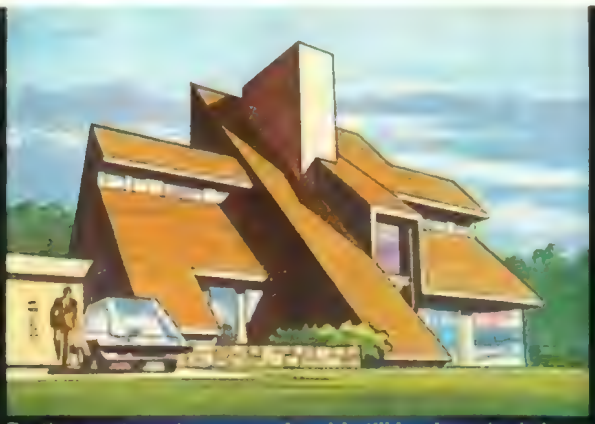
THEY ALL LAUGHED
Directed and Written by
Peter Bogdanovich

Any film of potential consequence begins with a dream, an idea—at least an angle. But the intent of Peter Bogdanovich's new film remains one of the year's more dispiriting mysteries. Perhaps he had in mind a country-music remake of Ingmar Bergman's *Smiles of a Summer Night:* eight characters play a romantic roundelay during a week in Manhattan. Maybe he wanted to reunite the galvanic stars of *Sidney Sheldon's Bloodline:* Ben Gazzara and Audrey Hepburn play the most prominent pair of lovers. Or did the director of *The Last Picture Show* and *At Long Last Love* hope to execute a triple homage to his former Galatea, Cybill Shepherd? The film's three ingénues all bear traces of the Delphic Cybill: Dorothy Stratten has the blond hair and the even features, Patti Hansen the mobile mouth in search of the perfect smirk, Colleen Camp the Texas twang and eerie talent for grating on the most placid moviegoer's nerves.

Whatever the intent, the result is an aimless bust, unencumbered by a visual or structural scheme. It wanders through a series of tony *boites*, boutiques and hotel lobbies in the vagrant hope of witnessing a privileged moment. Those are likely to occur only when Hepburn is on-screen. At 52, the eternal gamine has become a figure of icy chic; the lilt in her voice now has the gravity of years; she has barely a line to speak in the film's first hour, and too many silly words in the second. But she is still a radiant presence, and she blesses the end of *They All Laughed* with a display of poignant maturity. One would gladly pay to hear her read the Bel Air phone book. One would not be surprised to know that was Bogdanovich's next project. —**R.C.**

Hepburn and Gazzara in *They All Laughed*

Reuniting the galvanic stars of Bloodline.



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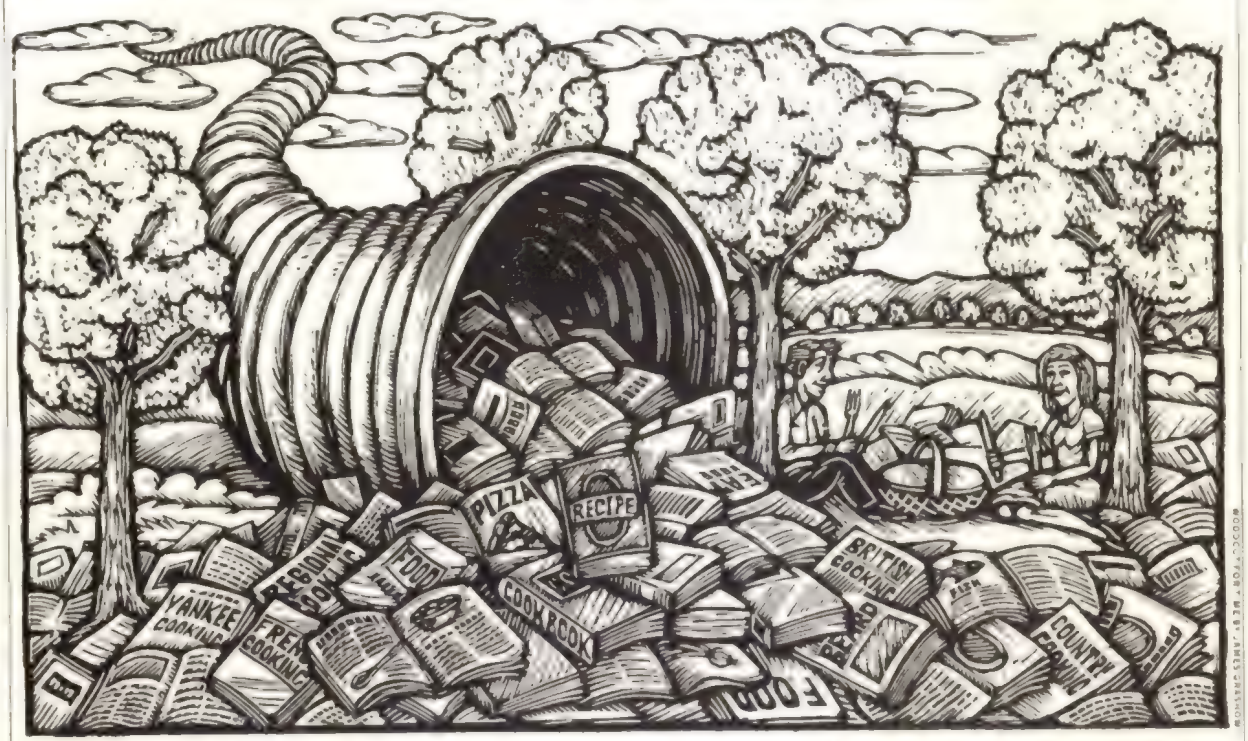

Born to Eat Their Words

Some of the best cookbook authors discover regional tastes

More than 300 years ago, Racine wrote that a province of southern France could support 20 caterers, while a bookseller would starve to death. Today the ratio is probably reversed, if only because, *grâce à dieu*, cookbooks have largely replaced caterers. More than a gastronomic manual or a compilation of recipes, a well-made cookbook blends strands of history, geography and philosophy with dollops of legend and even a dash of the unsavory. This is particularly true of regional cookbooks, which have come into their own in recent years as increasingly sophisticated home chefs look beyond the standardized, urbanized formulas that hold stolid sway over many restaurant menus.

For intelligence, authority and charm, few cookbooks can match Anne Willan's *French Regional Cooking* (Morrow; $29.95). The English-born, Americanized *cuisinière* has won international fame with her writing and her La Varenne cooking school in Paris. With four colleagues the author traveled more than 6,000 miles and spent a year choosing and testing the 400 recipes in the book. Their salivant safari takes the reader from the Pyrenees to the Alps, from the sands of St.-Malo to the beaches of Nice, with hardly a dull *plat* en route. Willan succeeds admirably in analyzing the tastes, products, humors and quirks of each region. She proffers such delicate provincial dishes as dandelion salad, *poularde en demi-deuil* and sole with stuffed artichoke bottoms (preferably using the slippery little fish known in Bordeaux as "lawyers' tongues"), as well as such robust peasant offerings as potato pie, braised partridge with lentils, and *stufatu*, a Corsican beef stew with macaroni.

The author is as handy with *richesses* like sweet-sour duck with cherries as she is with simplicities like fruit flans and potato *gnocchi* (which originated in Provence, not Italy). Her anthology of country stews—meat, fish and game—is thorough, as is her *catalogue raisonné* of cheeses. Some of the most luscious of all regional dishes are sweet: the fruity pound cake of the Loire, the tangy tartlets of Rouen and the fritters from the Alps known as *pets de nonne* (the name suggests they are gaseous). Willan also serves up historical tidbits. For example: Proust's madeleines came from Commercy in Lorraine; the word restaurant originated in Paris more than 200 years ago, when an innkeeper started offering bowls of bouillon known as *restauratifs*, and chowder is derived from *chaudière*, a cauldron in which fishermen pooled their catch.

The Yankee Magazine Cookbook (Harper & Row; $15.95) also discusses the origins of chowder, while adding that the tomatoey Manhattan version of the soup is an apostasy to be denounced from every down East pulpit. A charitable explanation is that Maine chowder is made from "an elongated bivalve," while the New York pretender uses inferior quahogs, "and no State of Mainer in his right mind eats them." If he had to make a chowder out of quahogs, *Yankee* affirms, a Mainer would put tomatoes in it too, "and garlic and beach plums and chestnuts and about anything else he could think of to improve it." At any rate, the chowders served up by the *Yankee* cookbook are about as authentic as they can get.

Less familiar dishes from the region include strawberry soup, salt pork cake, snow cake (made with new-fallen snow). Around Cape Horn brown Betty, pup flup (hasty pudding) and a variety of toothsome slumps, grunts, pandowdys, Bettys and buckles, as people in those parts like to call their fruit desserts. More substantive dishes run to Christmas chicken baked under a Yorkshire pudding "roof," spiced roast duck, cashew-stuffed red snapper and Henry Melix's Wampanoag clam pie, an authentic Indian dish.

A lot of Yankee specialties sound funny to "furrin" ears, but the names are seasoned with good sense. Anadama bread, for example, is a delicious loaf invented by a man who tired of the invariable cornmeal-and-molasses porridge served by his wife for supper; he added flour, eggs and yeast to the mixture, popped it into the oven and made bread of it, exclaiming

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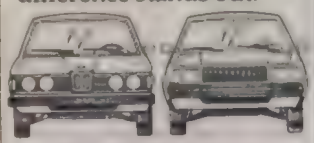

The 626 stands for exceptional value.

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37 EST hwy. mpg **27** EST. mpg* The 626 is an engaging mixture of sophistication and sport. A car that is quick and precise through turns. Yet roomy and comfortable through long trips.

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Proof that among the world's fine road cars, the Mazda 626 Sport Coupe not only stands out. But stands *alone* as a remarkable value.

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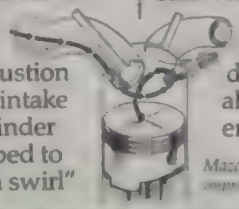
The 2-litre, 4-cylinder, overhead cam engine has an aluminum cross-flow cylinder head with a hemispherical combustion chamber. The intake port in the cylinder head is S-shaped to produce "high swirl" turbulence in the fuel/air mixture. This leads to improved atomization, resulting in a faster, more stable combustion process. Atomization is also enhanced by the unique carburetor design, which allows the fuel to enter the airstream in *eight* small sprays instead of one large one.



Mazda's "high swirl" intake port improves the combustion process

A fully-transistorized ignition system also contributes to combustion stability.

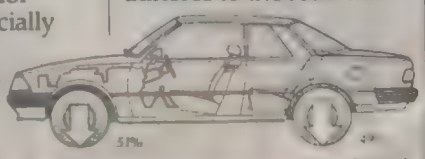
These meticulous refinements help the 626 meet the conflicting demands of low exhaust emissions, good performance, and excellent fuel economy.

A ROAD CAR THAT KNOWS HOW TO HANDLE THE ROAD.

Impeccable road manners come standard with every Mazda 626 Sport Coupe. Its behavior on curves is especially impressive.

The 626 owes its superb handling characteristics, in part, to its almost perfect balance. 51% of its weight rests on the front wheels, 49% on the rear. And the 626's center of gravity is just 20.3 inches off the ground.

A most effective way to judge how well a car adheres to the road during cornering is to put it on a circular skidpad and measure the amount of lateral g force it can withstand before losing adhesion.



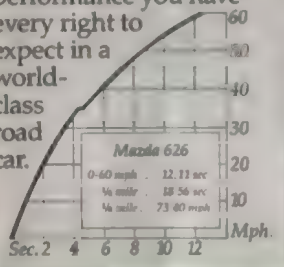
The 626's near-perfect balance helps it hug the road

In skidpad tests conducted over the last two years by *Road & Track* magazine, the Mazda 626 achieved a higher score for lateral acceleration (0.760 g) than any other road car in its class.

see its exceptional value versus BMW 320i.

ENGINEERED FOR OUTSTANDING PERFORMANCE.
Aerodynamic efficiency contributes to a car's performance. So the Mazda 626 was designed to reduce air turbulence, from the slant of its grille to the shape of its rear window. No wonder the 626 achieves a low drag coefficient of 0.39. (The Mazda RX-7's is 0.34.)

The accompanying graph shows the sort of performance you have every right to expect in a world-class road car.



STANDARD FEATURES ON THE MAZDA 626.
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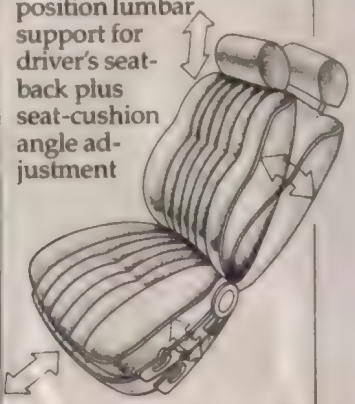


• Soft-grip steering wheel • Front door map pockets • Dual electric remote-control sideview mirrors • Tachometer • 8-function electronic check panel • All this and more.

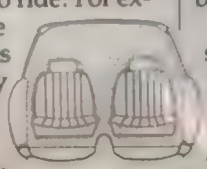
1982 Mazda 626 Sport Coupe **$7545****

*1982 EPA estimates for comparison purposes for 626 Sport Coupe. The mileage you get may vary with trip length, speed and weather. Actual highway mileage will probably be less.

**Manufacturer's suggested retail price for 626 Sport Coupe. Actual prices set by dealers. Taxes, license, freight, options (wide tires/al wheels $350-$400) and other dealer charges extra. Prices may change without notice.

Performance data and comparisons with vehicles based on '81 tests and information. For '82 they may vary, as may availability at dealers of vehicles with specific features.

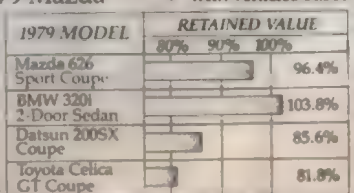
LISTEN TO ALL THE QUIET.
Mazda engineers have gone to great lengths to make the 626 a quiet car in which to ride. For example, the floor pan is spherically curved to reduce resonance. This helps cut down the amount of engine, drivetrain, and road noise transmitted to the passenger compartment.



Various multi-layered sound-deadening materials are applied to the floor and firewall areas to block noise even further.

The aerodynamically-shaped body of the 626 also contributes to a quiet interior by reducing the sound of the wind as it rushes past the windows and pillars.

THE MAZDA 626 HAS VERY HIGH RESALE VALUE.
According to the Kelley Blue Book, July-Aug. 1981, the 1979 Mazda 626 Sport Coupe has retained 96.4% of its original suggested retail price.



mazda The more you look, the more you like.

Books

"Anna, damn her!" as he munched. As solidly rewarding as they sound are such confections as Aunt Mary's apple pepper relish, election cake (a cross between Italian *panettone* and Russian *koulitch*), Vermont chocolate potato cake, planked shad with roe sauce, glazed parsnips à l'orange, hardscrabble oatmeal pancakes with molasses sauce and Cape Cod fish pie. To a Vermonter, a Yankee is anyone who eats pie for breakfast. The *Yankee* cookbook could make this habit catching.

Some people in Pennsylvania Dutch country also are known to have pastry crumbs on their faces come juice-and-coffee time. We have this on the authority of *Betty Groff's Country Goodness Cookbook* (Doubleday; $17.95), a handsome compendium of down-to-earth delectations from Lancaster County, Pa., and other rustic parts. In the understatement of the culinary year, Groff declares: "People not familiar with the Pennsylvania Dutch way of life may feel we have a preoccupation with food." That is correct, she says. Lancaster County boasts some of the world's most prosperous farms, their products preserve "a way of life that has vanished in many parts of America." The Groff family's farm restaurant is a magnet for visitors who come from all over to sample Mennonite fare at its best, if not its strictest (Mennonite Betty Groff permits herself to use wine and liqueurs in her cooking).

From *The Yankee Magazine Cookbook*

Betty and her husband Abe are both descended from the oldest German-Swiss families to settle in Pennsylvania's rolling hills. Most of the recipes came with the Mennonites; the imports include adaptations of Teutonica such as *Hasenpfeffer* (rabbit stew), *Schnitz und Knepp* (apples and dumplings), hot potato salad and the thin, tender pancakes called *Pflatzlings*. Dishes like the celebrated shoofly pie, sauerkraut cake, Amish vanilla pie and the ambitiously named peanut butter incredibles probably evolved *in situ*. Some of the Groffs' specialties, notably stuffed doves' breasts baked in clay and lamb crown roast with crème de menthe, are considerably more sophisticated than most farm fare. Many refinements have been introduced by the Groffs' son Charlie, who attended New York's rigorous and internationally respected Culinary Institute of America. There is no danger, however, that Pennsylvania Dutch cooking is about to be Frenchified.

The savory pie, in all its manifestations, is one of the mainstays of country cooking; it does not often land on three-star-restaurant menus. Yet in all its rural and urbanized forms, ranging from quiche to pasty and pitta to pizza, it can be a one-dish meal for all seasons, with all seasonings. Anna Teresa Callen, an Italian-born cookery writer and teacher who raises her dough in Manhattan, has the pie squared. In *The Wonderful World of Pizzas, Quiches and Savory Pies* (Crown; $14.95), she leads a cook's tour of pastry, piquant fillings and their origins. Some of her recipes inevitably show up in other books, but usually in different forms. Callen's version of *pounti*, the prune-and-ham pie from France's Auvergne, for example, differs in important respects from Anne Willan's formulation, and both are worth trying. The pie crust, filled and adorned to suit the native palate, is almost universal. The *pissaladière* of southern France and Switzerland's *zwiebelwähe* are sisters under the

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skin to the Italian pizza—of which, Callen notes, there are many more than 100 variations. Russia has its *kulebiaka*, Morocco the *b'stilla*, Egypt its *iflagun*, Greece the succulent *spanakopitta*, and Hungary *[illegible]sztás pogácsa*.

Some of the dishes captured by Callen are famous but hard to find outside of country cottages and inns. And they can be quite elegant. *Torta Pasqualina*, the Italian Easter pie from Liguria, is made with 33 layers of dough to symbolize Christ's age at his death. And there is Beautiful Aurora's Pillow, a pastry puffed up by the immortal Brillat-Savarin that combines pheasant, veal, pork, *foie gras*, Cognac and truffles, which might be accompanied by *pinaattiohukaiset*, a Finnish spinach pancake that is far easier to eat than pronounce.

In Britain, too, the gourmet must be willing to travel. *Great British Cooking: A Well-Kept Secret* (Random House; $15.50) somewhat exaggerates the paucity of three-star menus in the scept'red isle. It is no longer quite true, as the old saw had it, that the English have only three vegetables, two of them cabbage. However, English-born Jane Garmey roams far and wide to bag the better culinary hand-me-downs. Though a number of great Continental chefs left their imprint on upper-class English fare—Carême, Escoffier, Francatelli and Soyer all lived for years in London—the good things today come almost entirely from peasantry and province. A well-made Lancashire hot pot, a deep casserole of lamb chops and kidneys, ranks with a French *pot-au-feu*. Even shepherd's pie, particularly in Garmey's jazzed-up version, can be a treat. Indeed, a number of traditional dishes are in danger of becoming fashionable. Among them: lemony Sussex Pond pudding; Hindle Wakes, a prune-flavored cold poached chicken dish; Welsh onion cake and cockie leekie (chicken-leek) soup; chicken stovies, a succulent Scottish stew; syllabub, the English answer to zabaglione.

From *Country Goodness Cookbook*

Despite the familiar French gibe that Britain is a country with 60 religions and only two sauces, Garmey names several that are unique and pleasant. One of them, made of meat stock, vinegar, Worcestershire sauce and mustard, is called, appropriately, Wow-Wow.

The New James Beard (Knopf; $16.95) was originally conceived as a second updated edition of his 1959 classic *The James Beard Cookbook*. As he set to work, however, the 78-year-old master chef had second thoughts: "Something had been quietly happening: a shift straight across the whole spectrum of my cookery, all the way from menu making right down to how I now wrote recipes. The new me had to write a new book, from scratch." To some extent the new Beard has been influenced by provincial cooking, especially by Latin American and Far Eastern flavors, though many regional American dishes are included. "What I want to stress," he explains, "is a new flexible approach to ingredients, to the way we put them together, and the way we plan a meal." His new motto is "Why Not?"

True to his words, Beard formulates six varieties of *daube*, the wine-rich stew of Provence; French seafood sausages; a roast chicken using 40 cloves of garlic;

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Harold N. Romick
Louisville, Ohio

Harry Tennyson
Livonia, Michigan

Phil Tolkan
Milwaukee, Wisconsin

Leo Verlinde
Middleville, Michigan

Charles W. Weyland
Louisville, Kentucky

Calvin D. Wible
Medina, Ohio

TIME Q

Books

duck, bean and *foie gras* salad; fresh sardines with mint; brioches with marrow and truffles; and many other dishes that reflect the *nouvelle cuisine's* concern with natural flavors and unexpected contrasts. Among the little-known local American dishes he includes are *solianka*, a fish stew introduced to the Pacific Northwest by Russian immigrants; batter-dipped fiddlehead ferns; shrimp Kiev; pepper slaw; Vanessi special, a hearty frittata named for the celebrated San Francisco restaurant.

Beard's book comes at a good time. As the author observes, "The culinary world was never livelier than now, restaurants were never more experimental, and great cooks were never more appreciated." *Salud!* —**By Michael Demarest**

Editors' Choice

FICTION: The Book of Lights, *Chaim Potok* • Easy Travel to Other Planets, *Ted Mooney* • A Flag for Sunrise, *Robert Stone* • The Hotel New Hampshire, *John Irving* Rabbit Is Rich, *John Updike* Reinhart's Women, *Thomas Berger*

NONFICTION: Among the Believers An Islamic Journey, *V.S. Naipaul* Elvis, *Albert Goldman* • Lectures on Russian Literature, *Vladimir Nabokov* • Mrs. Harris: The Death of the Scarsdale Diet Doctor, *Diana Trilling* • The Physicists, *C.P. Snow* Psychoanalysis: The Impossible Profession, *Janet Malcolm*

Best Sellers

FICTION

1. An Indecent Obsession *McCullough (2 last week)*
2. The Hotel New Hampshire *Irving (3)*
3. Cujo, *King (1)*
4. Noble House, *Clavell (5)*
5. The Legacy, *Fast (7)*
6. The Third Deadly Sin, *Sanders (8)*
7. Remembrance, *Steel (4)*
8. The Cardinal Sins, *Greeley (6)*
9. The Last Days of America, *Erdman*
10. Schism, *Granger*

NONFICTION

1. Richard Simmons' Never-Say-Diet Book, *Simmons (1)*
2. Pathfinders, *Sheehy (4)*
3. How to Make Love to a Man *Penney (3)*
4. The Beverly Hills Diet, *Mazel (2)*
5. Elizabeth Taylor: The Last Star *Kelley*
6. The Lord God Made Them All, *Herriot (6)*
7. Elvis, *Goldman (5)*
8. The Cinderella Complex, *Dowling*
9. Cosmos, *Sagan (7)*
10. Bette: The Life of Bette Davis *Higham*

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MARTHA SWOPE

Tom Courtenay cajoles Paul Rogers and prods him to play *King Lear* one last time in *The Dresser*

Theater

Passion's Cue

THE DRESSER
By Ronald Harwood

The god of the theater *is* the theater, a faith taken on faith, a seraphic dream from which none of the participants ever fully awaken. The motive power of *The Dresser* is that passion.

Two quite different men are in thrall to it in this tragicomic drama and bonded to each other in something resembling a love-hate relationship. Sir (Paul Rogers), who is called only that, is the last of a dying breed of British actor-managers who tour the provinces paying flawed but fervent fealty to Shakespeare. The time is 1942 in bomb-blasted England, and the war has depleted Sir's resources to an extremely tatty troupe: "I'm reduced to old men, cripples and Nancy-boys. Herr Hitler has made it very difficult for Shakespearean companies."

For 16 years, Sir's dresser Norman (Tom Courtenay) has shielded him from difficulties and the truths that sear. Playing loyal serf to imperious sovereign, he has bolstered Sir's morale, salved his ego, washed his underpants, suffered his diatribes and basked in the reflected glory of his occasional triumphs upon the stage. Norman is nimble-witted, mocking, tartly observant, yet given to foggily elusive reminiscence. His most trusted friend seems to be the half-bottle of Scotch in his back pocket. Norman is a homosexual, but his love for Sir is protective, albeit possessive, and achingly platonic.

The dimensions of that love are tested and proved in the course of the play. On the eve of appearing in *King Lear*, Sir has abdicated the realm of sanity, gone mad before his cue. In the aftermath of an air raid, he has fled into the center of town and shredded his clothes in a driving rain. Hospitalized, he releases himself and bombards his way into his own dressing room. What Norman is confronted with is a shuddering, sobbing hulk of a man who cannot remember the first lines of a play he has performed 426 times. Sir's wife (Rachel Gurney) and his longtime stage manager (Marge Redmond) are all for canceling the performance, but Norman adamantly invokes the theater's sacrosanct commandment without actually uttering it—the show must go on. Norman pleads with Sir, he prods, he cajoles, he utters the hypnotizing words ("a full house"), catapulting the fragile tyrant out of a trance and onto the stage.

Apart from its affectionate snapshots of theatrical mechanics, backstage bitchiness, superstitious rituals and votive dedication, *The Dresser's* compounded impact comes from its being a *Lear* within a *Lear*. Norman is Shakespeare's Fool as much as he is Sir's. The storm-ravaged heath is Britain under the lightning bolts of the Luftwaffe, and Sir's stunted wartime company resembles the decimated retinue of soldiery left to Lear's command. In his foray into town, shivering, soaked, his mind cast adrift from its moorings, Sir could be *Lear's* naked "unaccommodated man" shorn of all sense, vanity and power.

What the play owes to its two leading actors is incalculable. Rogers' Sir is a white-maned lion who roars formidably against his self-sought fate. He is a ham to his hocks, but he serves Shakespeare with feudal valor ("We've done it, Will, we've done it"). As for Courtenay's Norman, as his voice echoes sepulchers and his hands etch the air with images of touching vulnerability, he opens the book of acting to a previously uncut page. —***By T.E. Kalem***

Milestones

ENGAGED. Princess Marie-Astrid, 27, eldest daughter of the reigning Grand Duke Jean of Luxembourg; and **Karl Christian von Habsburg-Lorraine,** 27, Brussels banker, son of Archduke Charles Louis of Austria and grandson of the late Austrian Emperor Karl I; in Luxembourg. Princess Marie-Astrid made headlines last year because she was the last eligible princess to be linked with Britain's Prince Charles before he chose Lady Diana Spencer. Astrid's wedding is planned for Feb. 6.

DIED. Frank Malina, 69, pioneering American aeronautical engineer whose early work on solid-fuel rockets helped the U.S. land the first man on the moon; of a heart attack; in Paris. Malina and the late aerodynamicist Theodore von Kármán helped found what became the California-based Jet Propulsion Laboratory in the late 1930s to research high-altitude rockets. During World War II, the two scientists developed solid-fuel rockets to give propeller-driven aircraft faster takeoffs. In 1945, they helped design one of the U.S.'s first high-altitude sounding rockets, the WAC Corporal. Malina left the lab to work in France as head of the scientific research division of UNESCO. While in Paris, he developed a system of kinetic painting, an art form that employs light, electricity and rotating discs.

DIED. Dorsey Richardson, 85, retired Wall Street investment banker who served as an economic adviser to Presidents John F. Kennedy and Lyndon B. Johnson; in Princeton, N.J. Richardson was a vice president at Lehman Bros. for 18 years. In 1963, President Kennedy appointed him to a task force aimed at promoting foreign investment in the U.S., a post Richardson was reappointed to by Johnson.

DIED. Abel Gance, 92, illustrious French film director who devised such techniques as multiple screens, double-printing and wide-angle lenses to create brilliant silent movies, including the 1927 masterpiece *Napoléon;* in Paris. A prolific film maker, Gance produced such classics as *J Accuse* and *The Wheel*. But his success ended with the advent of talkies. Shuttling between unemployment and obscure commercial movies, he complained: "I prostituted myself not to live but to avoid dying." Five decades later, one understanding producer, Francis Coppola, helped English Film Historian Kevin Brownlow present a reassembled copy of *Napoléon,* shown last January in New York City. The revival of the epic gave Gance the acclaim that had long eluded him. But the master film maker, though grateful, was still bitter, lamenting, "The bravos come too late."

DIED. Will Durant, 96, Pulitzer-prizewinning historian who collaborated with his wife Ariel in writing an eleven-volume magnum opus, *The Story of Civilization;* in Los Angeles (*see* EDUCATION).

Essay

A Horse in Sheep's Clothing

Nobody likes seeing a young man succeed, but nobody enjoys seeing him suffer either, so it was with eager pity that the nation watched David Stockman eat crow before the press last Thursday. Had Mr. Stockman talked less to the press earlier he would not be squirming now, but garrulity was not his blunder. Mr. Stockman's Administration-shaking mistake was not that he talked, but how he talked. He used a metaphor. Moreover, it was "a rotten, horrible, unfortunate metaphor," as he put it unmetaphorically in his news conference. Yet life would be no rosier for Mr. Stockman had his metaphor been lovely, wonderful and fortunate. For a politician there is no such thing as a fortunate metaphor.

For one thing, metaphors create images, and in a line of work that survives by means of obfuscation, images are land mines. A politician who uses even a perfect metaphor (far from which was Mr. Stockman's) is asking for a good deal of trouble because, if his judgment is wrong, people will not forget his imagery, nor will they let him forget it. A politician who uses a metaphor ineptly is in worse trouble still, because he will be remembered for being both vivid and confused—a condition not unknown among his peers, but of no personal advantage. The only politician ever to get away with the constant use of metaphors was Ike, and that was because he yoked imagery with obfuscation. Of the British he said: "They have a long row to hoe, and they're going to have trouble keeping their heads above water."

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Of course, there have been a few truly sublime metaphors in political history: Lincoln's "house divided," Bryan's "cross of gold." Mao Tse-tung once said: "A revolution is not the same as inviting people to dinner," which is unarguable. On the whole, however, politicians have lost a lot more than they have gained by reaching for poetry. Warren G. Harding's Inaugural statement that he "would rejoice to acclaim the era of the Golden Rule and crown it with the autocracy of service" is still under review. William Howard Taft, when facing a challenge for renomination from Teddy Roosevelt, struck back, and told the New York *Times:* "I have been a man of straw long enough. Even a rat in a corner will fight." To confuse matters further, Roosevelt ran as a bull moose.

Here the subject is horses, which are metaphors of another color. In the *Atlantic Monthly* article, Mr. Stockman called the Reagan tax package a "Trojan horse" in order to indicate that what looked on the surface like a fascinating gift to the people in fact contained the instruments of their destruction. But clearly that was not what Mr. Stockman meant, since the tax package—if it was a deception—was designed to destroy only some of the people, *i.e.,* the poor. For the rich the gift would be genuine. If, by using Troy, Mr. Stockman wished to convey the idea that the Reagan bill was a pig in a poke, he was backing the wrong horse.

But the question is: Would *any* metaphor have served Mr. Stockman's purpose? A stalking horse, perhaps—the animal that allowed a hunter to hide beneath its belly until he could get close to his quarry. But it would be more than Mr. Stockman intended to suggest that the tax bill was an accomplice to those seeking to devour the people. A snake in the grass, then? No, because a snake would be immediately recognizable as an enemy. Nor could the tax package be described as a fox in a henhouse, a dog in the manger, a bull in a china shop, or a bomb in a bull (though it has been called abominable). A wolf in sheep's clothing comes close. A horse in sheep's clothing is closer, if uncomfortable for the horse.

The reason that animal metaphors come to mind at all is that Mr. Stockman seemed to favor them in the *Atlantic* piece, along with agricultural imagery in general. (His name itself is an agricultural image.) At the news conference, he referred to having grown up on a farm, in order to introduce his metaphor of "a visit to the woodshed" that characterized his discussion with the President. That same farm upbringing may also explain why in the *Atlantic* interviews he remarked on "bullish forces," "pork barrels," "sacred cows," the closing of a program "cold turkey," the taking "something out of Boeing's hide," as well as citing certain Southerners as "boll weevils," certain Republicans as "gypsy moths," and certain others as "piranhas." No piranhas were raised on the Stockman spread, but the farm comes into view: "The inflation premium melts away like the morning mist"; "all conventional estimates just wind up as mud"; "if there's a consensus, he [Reagan] is not going to buck it." Some of these images are as memorable as Haigspeak. At one point Mr. Stockman mentions the greedy "hogs" who, at another point, were "strung out on a limb." The Trojan horse metaphor is itself a bit mixed. The horse is supposed to represent the "trickle-down theory"—an image one would not wish to see too clearly.

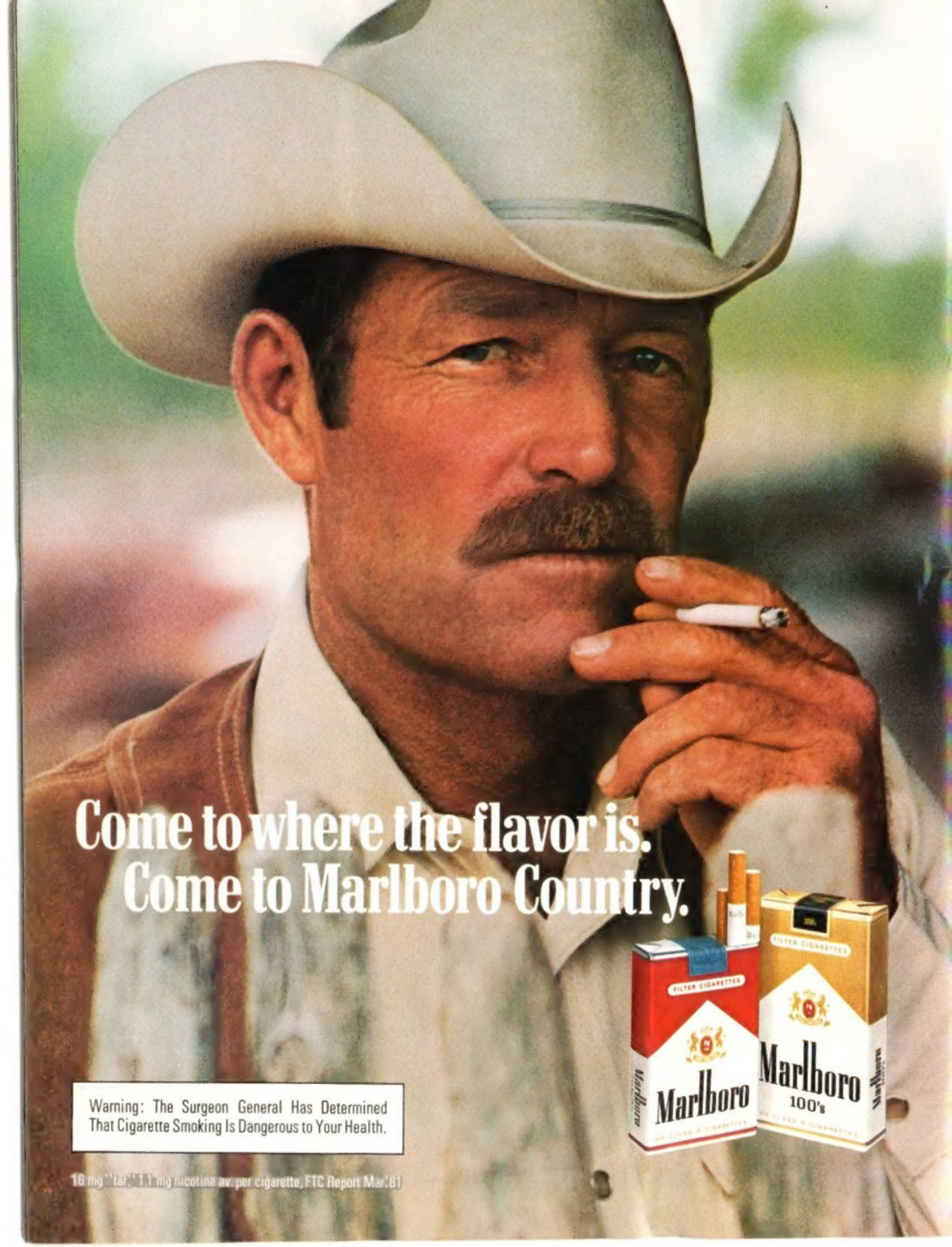
So would it have been better to drop the horse and concentrate solely on mythology? At Michigan State University, Mr. Stockman switched majors from agriculture to history, and is no farm boy when it comes to the humanities. But the humanities can let you down too. He might have used the metaphor of Odysseus concealing himself under the rams in order to deceive the Cyclops, for example, but the purpose of that deception was escape, not gain. He might also have used the metaphor of Leda and the swan, Zeus taking the form of a swan in order to seduce Leda. In this allegory, the country plays Leda, Reagan the swan, and the act plays itself.

Yet none of these things would have served Mr. Stockman one whit better than the Trojan horse image, which, in spite of its essential flaw, still combines deception with dignity. So does Mr. Stockman. Chagrined now, he turns his figure of speech against himself, contending that it is *he* who has assumed the role of the "wooden beast without a brain." But the image is inappropriate again. Mr. Stockman is far from brainless, and hardly a beast. He has simply risked his kingdom for a metaphor.

What all this comes to, oddly, is that Mr. Stockman not only ought to have kept clear of metaphors, but would have saved himself a great deal of grief by using the familiar economists' talk that has effectively mesmerized the world for years. In the *Atlantic,* Mr. Stockman speaks of "mismanagement modality" and the "wrong atmospherics." Stick to that sort of language, and you cannot lose. In a way, Mr. Stockman is paying a penalty for wishing to sound more comprehensible, which seems unfair, but is, in his own words, how the world works. The danger of being comprehensible is that people will understand you.

—By Roger Rosenblatt

Be careful! That's Chivas Regal!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